

# FINANCIAL OPERATING GUIDELINES

FISCAL YEAR 2018 - 2019

PREPARED BY BUSINESS SERVICES



One source for all learners

## Table of Contents

Description	Page
<b>I. <u>INTRODUCTION</u></b>	
HCDE Mission Statement.....	03
BSD Organizational Chart .....	04
Conflict of Interest Disclosure-Budget Managers .....	05
BSD Contact List .....	06
Code of Ethics for Business Services and Purchasing Division Employees .....	08
Governmental Finance Officers Association (GFOA) Code of Ethics.....	11
Historical Tax Rates.....	13
Confidentiality and Use of Information Agreement.....	14
Business Services Staff Assignments.....	15
HCDE Fund Codes .....	16
<b>II <u>ADMINISTRATIVE PROCEDURES</u></b>	
<b><u>Accounts Receivable</u></b>	
Accounts Receivable Billing Process .....	18
Processing Non-Tax Deposits.....	20
Processing Tax Deposits .....	22
Processing Registrations .....	23
Handling Customer Refunds, Credit memos, Overpayments & Billing.....	24
Returned Checks .....	26
Employees Personal Checks .....	27
AR-Sales Tax Reporting.....	28
<b><u>Accounts Payable</u></b>	
Payment Authorization .....	30
Processing Purchasing Orders.....	33
AP Process for Payments submitted on a Purchase Order.....	35
Processing Payments for Temporary Personnel Services .....	36
Travel Reimbursements (Out of County or State) .....	38
Travel Reimbursements Procedures .....	43
Request to Attend Procedures .....	50
Airline Quote Form.....	56
State Per Diem Travel Guidelines.....	57
Personal Vehicle Mileage Reimbursements .....	60
Harris County Cities .....	63
TTAA Travel and Mileage Reimbursements Rates for Grants.....	64
Personal Vehicle Mileage Reimbursements .....	60
Travel and Mileage Federal Funds .....	81
Tips & Gratuities.....	82
Stale Dated Checks .....	83
Replacement Checks .....	84
Processing Vendor Payments.....	85
Customary Expense Reimbursements.....	87
Processing Payments for Independent Contractors.....	89

## Table of Contents

Processing Non-Employee Reimbursements .....	92
Reimbursements under an Accountable or Non-Accountable Plan.....	94
Processing Telecommunications and Utilities Invoice .....	97
Texas Sales and Hotel Occupancy Taxes .....	99
Direct Deposit .....	104
Signature Authority Procedure .....	105
Cellular and Smart Phone Allowances.....	106

### **Payroll**

Payroll Distribution.....	114
Payroll Distribution Reports.....	116
List of Funds for Each Staff Member .....	117
Reporting Time Worked and Absences in Time Clock Plus .....	118
Time Clock Plus Quick Reference Guide.....	122
Time Clock Plus Timekeeping Guidelines.....	123
Time Clock Plus Adjustment Form.....	128
Processing Employee's Leave of Absences.....	129
Time Clock Plus Overtime and/or Compensatory Designation .....	131
Time Clock Plus Leave Request Instructions.....	135
Time Clock Plus Exception Form.....	137
Processing Personal discretionary and Non-Discretionary Leave.....	138
Time Clock Plus Reminders.....	140
Time Clock Plus FAQ's.....	142
Certification of Comparison Reports.....	145
Time and Effort Guidelines.....	146
Time and Effort Period Activity Report.....	148
Time and Effort Excel Worksheet.....	149
Payroll Verification Checklist.....	150
Pay Distribution during and after extended leave.....	151
Voluntary & Non-voluntary Payroll Deductions .....	153
Direct Deposit .....	154
Processing W-2 Wage and Tax Statements .....	156
Processing Replacement and Supplemental Payroll Checks .....	159
Returned (Undeliverable) Mail).....	160
Teachers Retirement System Processing & Reporting .....	161
Approval of FTE's.....	162
Approval of Stipends.....	164

### **Purchasing**

General Purchasing Guidelines.....	167
Quick Reference Guide to HCDE Purchasing Policies .....	169
Processing Purchase Orders.....	211
Requisition Procedures .....	212
Viewing Approval Status of Requisitions.....	226
Changes to Approved Purchase Orders .....	229

## Table of Contents

Purchases over \$50,000 .....	234
Purchases under \$50,000 .....	236
Emergency Purchases .....	237
Sole Source Purchases Guidelines .....	238
Competitive Bid vs. Proposal Criteria .....	241
Code of Conduct .....	243
Lease or Purchase Analysis .....	244
Conducting Business through Choice Facility Partners (CFP) .....	246
Handling purchases through the Purchasing Cooperative .....	248
Board Recommendation Form .....	253
Effectiveness and Compliance Review Form.....	255
Job (Bid-Proposal) Recommendation Form .....	257
Instructions for Committee Recommendations.....	260
HCDE Evaluation Form.....	262
Stamping Purchasing Documents .....	266
RFP Internal Template.....	268
RFP Template .....	292
Instructions for School Districts Contractors for Fingerprinting (SB9) .....	293
Surplus Property.....	294
Cooperative Purchases.....	296
Performance bonds.....	301
Pre-Award Reviews for Sub recipients.....	302
Standards of Conducts and Conflicts of Interest.....	305
Protest Procedures.....	309
Small and Minority firms.....	310
Selection of Award.....	311
RFP Procedures.....	313
Cost Price Analysis.....	314
Access Procedures.....	316
Tech Resource Request Form.....	317
E Finance Plus Permissions responsibilities.....	318
Vendor Certification Inc. EDGAR Choice.....	321
Vendor Certification Inc. EDGAR HCDE.....	329
HCDE Conflict of Interest Disclosure.....	335
HCDE Certificate of Interested parties.....	338
Harris County Felony Conviction Notice Form.....	340
Contractor Certification.....	343
Updated Expenditure – Consultant Services Contract.....	348
CIQ Applies to Vendors.....	352
HCDE Independent Estimate Determination.....	360
HCDE Determination of Cost Price Analysis.....	364
Work for Written Quote Procedures.....	383
Request for Written Quotes for Goods.....	385
Written Quotes for Services.....	387
Independent Contractor Classification Checklist.....	390
EPLS and SAM Procedures for Debarment.....	391



## Table of Contents

One-page certifications.....	394
A87 CFR Cost Principles.....	395
Contract Prohibition under Gov't Code.....	508
Grant Guidelines for Internal Charges.....	509
Time Reporting.....	512
Billing Process for Internal Operating Services.....	513
Internal Charges Agreement.....	517

### **Purchasing Contracts and Templates**

Services Agreement – HCDE Revenue.....	521
Services Agreement – HCDE Expenditures.....	525
Addendum to Services Agreement – Adult Education.....	533
Addendum to Services Agreement – Head Start.....	540
Addendum to Services Agreement – Speaker.....	548
HCDE advertisement, sponsorship agreement.....	550
Interlocal Contract Template.....	557
Services agreement subject to Master Interlocal.....	562
Participation Contract Template – Non-profit.....	563
Construction Contract under \$50K.....	568
Job Order Construction Services Sample.....	607
Code of Ethics for HCDE employees.....	609
Selling Technology Items.....	610
Certification of E-Rate Purchases.....	612
Approval to accept Vendor/Felony Background.....	614
First Amendment to Contract.....	615
Request for Solicitation (RFP,RFQ, CSP, etc.).....	

619

### **Contracts**

General Contract Guidelines.....	622
Steps to Create a New Contract.....	624
Contract Formatting Instructions.....	626
Checklist for Reviewing Contracts.....	628
Expenditure Contract Memo.....	632
Contract Processing Form Instructions.....	633
Contract Processing Form.....	635
Sample Contract Clauses.....	636
Sample Contracted Services Contract.....	648
Purchasing Contracts Manual.....	669
CSSS Interlocal Agreement.....	693
Participation Agreement.....	694
Master Job Order Contract.....	699
Interlocal Agreement.....	724
Contract Agreement.....	728

## Table of Contents

Vendor Packet.....	745
Cost /Price Analysis.....	755
Traffic Study Agreement.....	756
Interlocal Agreement.....	761
Early Head Start Agreement.....	767
Interdepartmental Contract.....	778
Interlocal Agreement School District.....	778
Contractor Agreement.....	795
Master Interlocal Contract Template.....	815
Participation Contract Template Non-Profit.....	820
Interlocal Agreement for Educational Services.....	825
HCDE Financial Operating Guidelines .....	832
Glossary of Contract Terms.....	855

### **Procurement Card**

Procurement Card Manual .....	857
Certification of P Card Reports – Divisions.....	899
Certification of P Card Reports – Purchasing and Business.....	901

### **Budgeting**

Budget Guidelines.....	903
Budget Transfer & Adjustment Procedures .....	905
Budgeting for Replacement Assets.....	908
Charges between Divisions Procedure.....	910
Request for Access to General Ledger account codes .....	911
Processing Journal Entries for Inter Divisional Services .....	913
Expenditure Codes with Descriptions.....	916
Function Codes.....	946
Budget Manager Codes.....	947
Fund Codes.....	949
Location Codes.....	950
Revenue Codes.....	951

### **Compliance**

Internal Controls .....	954
Audit .....	956
Property Tax.....	959
Fraud Prevention Model and Awareness Program .....	965
Risk Awareness Process .....	967
Contract Monitoring and Compliance .....	969
Grant Monitoring and Compliance .....	972
Authorization for Electronic Purchasing .....	974
Compliance with Prevailing Wages Requirement .....	981
Electronic Communications and Acceptable Use Guidelines. ....	986

## Table of Contents

HCDE Employee/Contractor Agreement for Electronic Communications and Acceptable Use Guidelines.....	991
Signature Authority Form-Head Start Funds.....	992
Signature Authority Form 2017-18.....	993
Bank Account Reconciliations.....	994
Handling Open Records Request Procedures.....	995

### **Grants**

Acceptance of Donations .....	1000
Commitment of Resources and Grant Submissions.....	1002
Processing of Grant Awards with Education Foundation of Harris County...	1008
Grant Indirect Cost – Establishing the Rate.....	1010
Grant Indirect Cost Calculation .....	1012
Grant Indirect Distribution General Fund.....	1014
Grant Management and Accounting.....	1017
New Matrix-Revenue Contracts.....	1110
Grant reimbursements procedures.....	1111
HCDE Grant Manual.....	1112
Employee Annual Giving Program.....	1179
Employee Annual Giving Fund.....	1180
Proposal Development-Public Funding Procedure.....	1183
Donation Sponsorship Receipt Form.....	1191
Acceptance Donation Procedure.....	1192
Commitments-Grant Submission Procedure.....	1194
Proposal Development-Private Funding Procedure.....	1200
Grant Signature Authority List.....	1205

### **Fixed Assets**

Fixed Assets.....	1207
Budgeting for Replacement Assets .....	1211
Fixed Asset Transfer Request Form.....	1213
Badge Access Security Procedures.....	1214

### **Personnel**

Administrative Support Salary Schedule(hourly).....	1217
Administrative Salary Schedule (daily).....	1222
Instructional Support Salary Schedule.....	1225
Operations Support Salary Schedule.....	1226
Professional Support Salary Schedule.....	1228
Stipends.....	1229
Substitutes Pay Chart.....	1230
Supplemental Salary Chart.....	1231
Technology Hiring Schedule.....	1233

### **Appendix**

Glossary of Accounting Terms .....	1236
------------------------------------	------

## Table of Contents

Glossary of Purchasing Terms .....	1240
Glossary of Contract Terms .....	1244

Harris County Department of Education  
Business Support Services

**Mission Statement:**

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



**Quality Value System:**

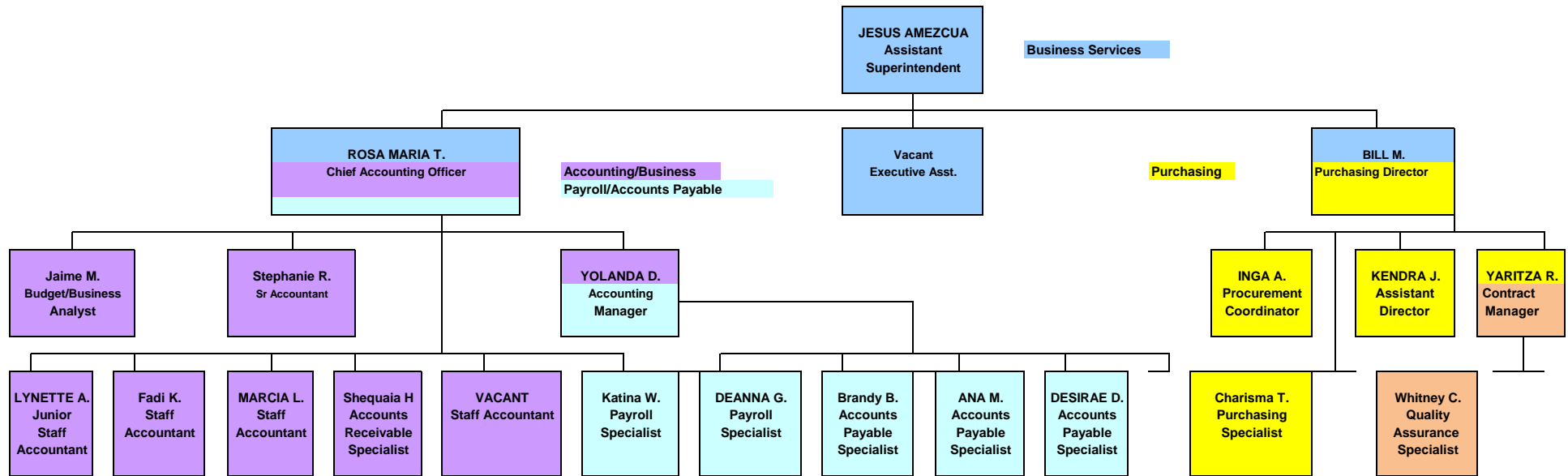
Timely  
Efficient  
Excellent Customer  
Service  
Ethical  
Resourceful  
Collaborative



# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Business Services Division

### FY2018-2019 Organization Chart



ROSA MARIA  
Business Supervision  
Compliance  
Reporting  
Debt Management  
Cash Management  
Financials -Accounting  
Ed Foundation -Review

VACANT  
Risk Assessment  
PFC  
Financials -Accounting  
Grant Review  
Fraud Prevention

JAIME  
Budgeting  
Investments Management  
Cash Management  
Work Flows

YOLANDA  
Accounts Payable  
Payroll  
General Ledger Review

---

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

---

James Colbert Jr. County Supt.



Harris County Department of Education

6300 Irvington Houston, Texas 77022-5618 – (713-696-1371)

**CONFLICT OF INTEREST DISCLOSURE  
ALL BUDGET MANAGERS  
2018-2019**

**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 \_\_\_\_\_

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

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

\_\_\_\_\_  
Date

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

**FOR HCDE USE ONLY**

<b>NOTE: Failure to complete this form will prevent the employee from being authorized to approve any purchases within HCDE</b>	
<b>Reviewed By Compliance Officer:</b>	<b>Authorized to participate in the procurement process by HCDE Assistant Supt for Business</b>

**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
**Business Services Division Contact List**

**BUSINESS OFFICE – 1<sup>ST FLOOR</sup> 6300 IRVINGTON**

**FAX Number: 713-696-0740**

<p style="text-align: center;"><b>Jesus J. Amezcua, Ph.D., CPA, RTSBA - Assistant Superintendent for Business Services</b>  <b>Phone 713-696-1371</b></p>		
• Business Office, Purchasing	• Financial Analysis & Board Agenda	• School Finance Council
<p style="text-align: center;"><b>Vacant, Executive Assistant</b>  <b>Phone 713-696- 8249</b></p>		
• WIR	• Board Agenda / SFC Support	• Forms/Publications Support

<p style="text-align: center;"><b>Rosa Maria Torres, RTSBA, Chief Accounting Officer</b>  <b>Phone 713-696-1342</b></p>		
• Manages Business Service Division • Financial and Budget Analysis • Debt and AR Management		
<p style="text-align: center;"><b>Jaime Martinez, Budget Analyst</b>  <b>Phone 713-696- 1344</b></p>		
• Work Flow Analysis • Business Design • Budget Process, Training & GFOA Book • Risk Assessment • Investments • Taxes		
<b>Stephanie Ritchie, Senior Accountant Ext. 8250</b> • General Fund, Facilities Fund and Choice Partners • Financial Reporting & Analysis • State and Local Grants	<b>Marcia Leiva, Staff Accountant Ext. 8251</b> • Head Start Grants • Adult Ed Grants • Financial Reporting & Analysis	
<b>Fadi Khirieh, Staff Accountant Ext. 1850</b> • 21 <sup>st</sup> Century & related CASE Grants • Early Head Start grants • Financial Reporting & Analysis	<b>Lynette Adams, Jr. Staff Accountant Ext. 1745</b> • Bank Reconciliations, Journal Entries • Financial Statements, P-Card recording • Adult Ed Grants • Financial Reporting & Analysis	
<b>Shequaia Harris, A/R Specialist Ext. 8248</b> • Account Receivable, Customer Invoicing • WMS payments, Cash Receipts posting	<b>Vacant, Senior Grant Clerk Ext. 3131</b> • Deposits, Journal Entry • Cash reconciliations, Grant portal	





## **Code of Ethics for Business Support Services and Purchasing Division Employees**

### **Introduction**

In this age of accountability, activities and conduct of business office and purchasing office staff are subject to greater scrutiny and criticism than ever before. It is understood that the actions of business office and purchasing office staff are observed and appraised by administration, clients, fellow professionals, and members of the community.

Harris County Department of Education ("HCDE", "Department") Business Support Services and Purchasing Division employees are professionals dedicated to public service. By assuming the responsibility of providing leadership and the expertise to maintain exemplary standards of professional conduct, they will strive to gain and continue to earn the public's trust and confidence.

### **Objective**


The management of the Business Support Services and Purchasing Division is dedicated to making ethical and lawful choices by providing a structured code of ethics for its personnel to follow. Business Support Services and Purchasing Division employees shall model and promote ethical behavior to all HCDE employees through their behavior.


### **Applicability**

The Code of Ethics for Business Support Services and Purchasing Division Employees, ("Code of Ethics") is applicable to all HCDE Business Support Services and Purchasing Division employees.

### **Principles and Standards**

Business Support Services and Purchasing Division employees are responsible for adhering to and promoting the following principles and standards:

 Professional Conduct – They shall study, understand, and abide by both the letter and the spirit of legislation, governing regulations, board policies, approved professional practices, and recommended standards. They shall refrain from any actions or activities that give the appearance of moral impropriety.

 Honesty and Ethical Behavior in Professional Relationships – They shall not knowingly be a party to or condone any illegal or improper activity.



- ✚ Financial Impropriety – They shall act with integrity and diligence in duties involving Department fiscal resources.
- ✚ Act with Good Faith – They should make decisions that will do the most good over harm.
- ✚ Confidentiality – They shall demonstrate professional integrity in the issuance and management of information and maintain the confidentiality of clients', business partners', students', and employees' personal information. They shall respect and protect privileged information to which they have access.
- ✚ Fiduciary Responsibility – They shall not use public property or resources for personal or political gain; and shall safeguard the assets in their trust.

### **Conflict of Interest**

Business Support Services and Purchasing Division employees shall do all that is possible to avoid any conflicts of interest. A “conflict of interest” arises when an employee’s private, public, economic, or political activities have the potential of interfering with his or her allegiance and objectivity to the Department. Some examples of situations that could lead to a conflict of interest include: employment by outside entities; creating business interest with customers, suppliers, or competitors of the company; accepting payments or gifts from others; and taking advantage of business opportunities for personal gain.

### **Reporting Requirements**

An HCDE employee who becomes aware of a situation or activity that violates, or appears to violate the Code of Ethics, HCDE policies, or applicable law, should contact their supervisor or the Compliance Officer immediately. If the potential violation cannot be resolved at that level, contact the Human Resources.

### **Certification Requirements**

In order to prevent any new standards or policies from going unnoticed, Business Support Services and Purchasing Division employees will annually renew their acceptance of the Code of Ethics.

## Statement of Certification

I, \_\_\_\_\_, hereby acknowledge that I have thoroughly read the Code of (PRINT LEGIBLY OR TYPE NAME) Ethics for Business Support Services and Purchasing Division Employees and will, to the best of my ability, adhere to the Code of Ethics in my everyday work activities. I understand and agree to abide to the established principles and standards.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

# GOVERNMENT FINANCE OFFICERS ASSOCIATION

## Code of Professional Ethics

The Government Finance Officers Association of the United States and Canada (GFOA) is a professional organization of public officials united to enhance and promote the professional management of governmental financial resources by identifying, developing and advancing fiscal strategies, policies and practices for the public benefit.

To further these objectives, all government finance officers are enjoined to adhere to legal, moral and professional standards of conduct in the fulfillment of their professional responsibilities. Standards of professional conduct as set forth in this code are promulgated in order to enhance the performance of all persons engaged in public finance.

**I. Personal Standards** Government finance officers shall demonstrate and be dedicated to the highest ideals of honor and integrity in all public and personal relationships to merit the respect, trust and confidence of governing officials, other public officials, employees, and of the public.

- They shall devote their time, skills and energies to their office both independently and in cooperation with other professionals.
- They shall abide by approved professional practices and recommended standards.

**II. Responsibility as Public Officials** Government finance officers shall recognize and be accountable for their responsibilities as officials in the public sector.

- They shall be sensitive and responsive to the rights of the public and its changing needs.
- They shall strive to provide the highest quality of performance and counsel.
- They shall exercise prudence and integrity in the management of funds in their custody and in all financial transactions.
- They shall uphold both the letter and the spirit of the constitution, legislation and regulations governing their actions and report violations of the law to the appropriate authorities.

**III. Professional Development** Government finance officers shall be responsible for maintaining their own competence, for enhancing the competence of their colleagues, and for providing encouragement to those seeking to enter the field of government finance. Finance officers shall promote excellence in the public service.

**IV. Professional Integrity-Information** Government finance officers shall demonstrate professional integrity in the issuance and management of information.

- They shall not knowingly sign, subscribe to, or permit the issuance of any statement or report which contains any misstatement or which omits any material fact.

## **GOVERNMENT FINANCE OFFICERS ASSOCIATION**

### **Code of Professional Ethics**

- They shall prepare and present statements and financial information pursuant to applicable law and generally accepted practices and guidelines.
- They shall respect and protect privileged information to which they have access by virtue of their office.
- They shall be sensitive and responsive to inquiries from the public and the media, within the framework of state or local government policy.

**V. Professional Integrity-Relationships** Government finance officers shall act with honor, integrity and virtue in all professional relationships.

- They shall exhibit loyalty and trust in the affairs and interests of the government they serve, within the confines of this Code of Ethics.
- They shall not knowingly be a party to or condone any illegal or improper activity.
- They shall respect the rights, responsibilities and integrity of their colleagues and other public officials with whom they work and associate.
- They shall manage all matters of personnel within the scope of their authority so that fairness and impartiality govern their decisions.
- They shall promote equal employment opportunities, and in doing so, oppose any discrimination, harassment or other unfair practices.

**VI. Conflict of Interest** Government finance officers shall actively avoid the appearance of or the fact of conflicting interests.

- They shall discharge their duties without favor and shall refrain from engaging in any outside matters of financial or personal interest incompatible with the impartial and objective performance of their duties.
- They shall not, directly or indirectly, seek or accept personal gain which would influence, or appear to influence, the conduct of their official duties.
- They shall not use public property or resources for personal or political gain.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Tax Rates \*, FY 1969-70 to Current

\* Per \$100 valuation of all taxable property in Harris County.

ACTUAL										
Tax Year	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
Fiscal Year	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70
Equalization Rate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.01
Debt Service Rate	-	-	-	-	-	-	-	-	-	-
<b>Total Tax Rate:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 0.01</b>

ACTUAL										
Tax Year	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Fiscal Year	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
Equalization Rate	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
Debt Service Rate	-	-	-	-	-	-	-	-	-	-
<b>Total Tax Rate:</b>	<b>\$ 0.01</b>	<b>\$ 0.01</b>	<b>\$ 0.01</b>	<b>\$ 0.01</b>	<b>\$ 0.01</b>	<b>\$ 0.01</b>	<b>\$ 0.01</b>	<b>\$ 0.01</b>	<b>\$ 0.01</b>	<b>\$ 0.01</b>

ACTUAL										
Tax Year	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Fiscal Year	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Equalization Rate	\$ 0.01	\$ 0.00450	\$ 0.00420	\$ 0.00420	\$ 0.00300	\$ 0.00300	\$ 0.00310	\$ 0.00310	\$ 0.00329	\$ 0.00353
Debt Service Rate	-	-	-	-	-	-	-	-	0.00033	0.00031
<b>Total Tax Rate:</b>	<b>\$ 0.01</b>	<b>\$ 0.0045</b>	<b>\$ 0.0042</b>	<b>\$ 0.0042</b>	<b>\$ 0.0030</b>	<b>\$ 0.00300</b>	<b>\$ 0.00310</b>	<b>\$ 0.00310</b>	<b>\$ 0.00362</b>	<b>\$ 0.00384</b>

ACTUAL										
Tax Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Fiscal Year	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Equalization Rate	\$ 0.00355	\$ 0.00367	\$ 0.00390	\$ 0.00428	\$ 0.00466	\$ 0.00513	\$ 0.00562	\$ 0.00611	\$ 0.00611	\$ 0.00629
Debt Service Rate	0.00029	0.00028	0.00026	-	-	-	-	-	-	-
<b>Total Tax Rate:</b>	<b>\$ 0.00384</b>	<b>\$ 0.00395</b>	<b>\$ 0.00416</b>	<b>\$ 0.00428</b>	<b>\$ 0.00466</b>	<b>\$ 0.00513</b>	<b>\$ 0.00562</b>	<b>\$ 0.00611</b>	<b>\$ 0.00611</b>	<b>\$ 0.00629</b>

ACTUAL										
Tax Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Fiscal Year	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-2010
Equalization Rate	\$ 0.00629	\$ 0.00629	\$ 0.00629	\$ 0.00629	\$ 0.00629	\$ 0.00629	\$ 0.00629	0.005853	\$ 0.00584	\$ 0.00605
Debt Service Rate	-	-	-	-	-	-	-	-	-	-
<b>Total Tax Rate:</b>	<b>\$ 0.00629</b>	<b>\$ 0.00629</b>	<b>\$ 0.00629</b>	<b>\$ 0.00629</b>	<b>\$ 0.00629</b>	<b>\$ 0.00629</b>	<b>\$ 0.00629</b>	<b>0.005853</b>	<b>\$ 0.00584</b>	<b>\$ 0.00605</b>

ACTUAL										
Tax Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fiscal Year	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Equalization Rate	\$ 0.006581	\$ 0.006581	\$ 0.006617	\$ 0.006358	\$ 0.005999	\$ 0.005422	\$ 0.005200	\$ 0.005195	\$ 0.005190	\$ -
Debt Service Rate	-	-	-	-	-	-	-	-	-	-
<b>Total Tax Rate:</b>	<b>\$ 0.0065810</b>	<b>\$ 0.0065810</b>	<b>\$ 0.006617</b>	<b>\$ 0.006358</b>	<b>\$ 0.005999</b>	<b>\$ 0.005422</b>	<b>\$ 0.005200</b>	<b>\$ 0.00520</b>	<b>\$ 0.00519</b>	<b>\$ -</b>



**Harris County Department of Education**  
**Confidentiality and Use of Information Agreement**



1. The Business Division function is to process data that includes information related to payroll records, vendor data, employee data and other sensitive data. We interact with employees, vendors, departments, and schools from our internal divisions and from external organizations.
2. The work performed by this Division is very vital to the success of the organization, and while most data is subject to open records, we must take steps to assure that data is handled with care and confidentiality.
3. There is a high level of trust that must be maintained between the Division and the employees and vendors of the department. Employees interact with division staff and discuss sensitive data while conducting their job duties; it is important to make sure that only appropriate data is discussed.
4. Any and all information related to the work performed by the Business Division should be kept confidential. This information should only be discussed with the employee, vendor, administrative supervisor, or Superintendent, as appropriate.
5. Information accessed should be added, changed, or deleted when properly authorized. Information that can be accessed should not be viewed or used for personal reasons or for mere curiosity.
6. I have read the above statements and I agree to keep any and all information related to the work performed by me confidential. I will only discuss this information with the individuals mentioned above, as appropriate. I will not add, change or delete information without proper authorization nor will I view or use information that I can access for personal reasons or curiosity. I understand that violation of this agreement could result in disciplinary action or termination.

---

Business Division Employee Name

---

Employee Signature

---

Date

**HCDE****Business Services' Staff Assignments  
FY 2018-19****Jesus EXT 1371****Maria EXT 8249****Rosa Maria EXT 1342****Jaime EXT 1344****Shequaia EXT 8248****Yolanda EXT 8240****Deana EXT 1747****Katina EXT 8289****Brandy EXT 8245****Ana EXT 1352****Desirae EXT 8244****Stephanie Ritchie ext 8250**

199-General Fund

208-Educators &amp; Families English

599-Debt Service

695-Capital Projects local funds

697-Capital Project bond monies

711-Choice Partners

753-Workers' Compensation

799-Facility Support Services

800-899-Fiduciary Funds

811-HighPoint East Activity

815-Courtesy Committee

829-Blair Endowment

**Lynette Adams ext 1745**

223-TANF Federal

230-Adult Ed Federal

234-El Civics Federal

381-Adult Ed State

**Marcia Leiva ext 8251**

205-HeadStart Main

206-HeadStart Training

234-Adult Ed English Literacy/Civics

475-Early HeadStart In-Kind

479-HeadStart In-Kind

496-HOGG Foundation

498-Local Grants

**Fadi Khirieh ext 1850**

215-Early Head Start Operations

216-Early Head Start T&amp;TA

266-21st Century Cycle 8

267-21st Century Cycle 9

268-21st Century Cycle 10

288-Partnership

463-Houston Endowment

467-City of Houston

475-Early Head Start In-Kind

498-Local Grant

**100 – GENERAL FUND**

199 – General Fund

**200 – FEDERAL GRANTS**

205 – Head Start

206 – Head Start Training

208 – Educators & Families English

215 – Early Head Start Up - Operation

216 – Early Head Start – TT&A

223 – Temporary Assistance for Needy Families

230 – Adult Basic Education (ABE) Regular

234 – ABE EL / Civics

266 – TX 21<sup>st</sup> Century Grant Cycle 8

267 – TX 21<sup>st</sup> Century Grant Cycle 9

268 – TX 21<sup>st</sup> Century Grant Cycle 10

288 – CASE After School Partnership

**400 – LOCAL GRANTS**

463 – Houston Endowment Grant

467 – CASE – City of Houston

475 – Early Head Start In-Kind

479 – Early Head Start In-Kind

496 – HOGG Grant

498 – Local Grants

**500 – DEBT SERVICE**

599 – Debt Service

**600 CAPITAL PROJECTS FUNDS**

695 – Capital Projects Local funds

697 – Capital Projects Bond Monies

**700 – PROPRIETARY FUNDS**

711 – Choice Partners – Enterprise Fund

753 – Workers Compensation

799 – Facility Support Services

**800 – FIDUCIARY - TRUST/AGENCY FUNDS**

811 – Highpoint – East Activity Funds

814 – Highpoint – North Activity Funds

815 – Courtesy Committee

829 – Blair Endowment Scholastic Program

**900 – ACCOUNT GROUPS**

901 – General Capital Assets


902 – PFC Capital Assets

903 – Long Term Debt

904 – PFC Long Term Debt

## **Accounts Receivable**

The Accounts Receivable Department is responsible for ensuring that all monies due to HCDE have been received and deposited in compliance with all state, local and federal regulations.

	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <a href="#"><u>CCG(LEGAL)</u></a>
DATE DEVELOPED: 03/26/06		REVISED DATE: 11/11/16
SUBJECT: Billing Processes		

### **Purpose**

To provide guidelines for understanding the billing process.

### **Procedure**

The invoices are generated by each division and submitted to the Business Office via email, paper copies, by excel, pdf or uploads. Each invoice is assigned a unique number provided by the division which includes a prefix identifying each division. The maximum characters an invoice number can have are 10 characters. If an invoice number is needed, please contact the Accounts Receivable Specialist at extension# 8248 or email at [accountsreceivable@hcde-texas.org](mailto:accountsreceivable@hcde-texas.org). Some invoices may have more than one revenue code. Invoices must include the customer name, customer number, billing address, revenue code(s) and the amount(s). To add a new customer, please email your request to Accounts Receivable at [accountsreceivable@hcde-texas.org](mailto:accountsreceivable@hcde-texas.org). Each division should review monthly reports to avoid duplicate billing and must follow up on old outstanding invoices.

### **Accounts Receivable adjustments**

Accounts Receivable adjustments, corrections or deletions require budget manager's approval. Adjustments between \$0.01 cent and \$499.99 will be approved by the Chief Accounting Officer. Adjustments of \$500.00 or more require the approval of the Assistant Superintendent for Business Services. Once the required approvals are obtained, the Accounts Receivable specialist will process the adjustment.

### **Cash Receipts**

Checks and cash received are processed by the senior grant accounting clerk on a daily basis using the MICR image scanner machine which allows for same day accessibility. Two cash receipt forms are prepared 1) One for all payments with invoices and 2) One for all miscellaneous and deferred payments. The total of the two cash receipt forms will total the amount deposited for the day. The senior grant accounting clerk enters the information for the miscellaneous and deferred cash receipts in Pentamation which requires the approval of the Chief Accounting Officer prior to posting to the general ledger. The invoice cash receipt form is given to the Accounts Receivable Specialist who will process the payments in the Accounts Receivable System. Once completed the transactions are interfaced to the general ledger via a journal entry which will require the approval of the Chief Accounting Officer prior to posting.

### **Monthly Reports**

Once a month Accounts Receivable generates four reports, the Assistant Superintendent sends out two which are the Customer Aging Report and Statements Grouped by Account Report, these are sent to each division manager. The Accounts Receivable Specialist provides the secretaries of each division the outstanding invoice statement and a Cash Receipt report, only the outstanding invoice statement is sent to the customer. Current cash receipt reports are available upon request.



The Outstanding Invoice report allows a division to review all outstanding invoices and how long each invoice has been outstanding. It also shows the balance of the outstanding invoice(s). Budget Managers are responsible for the collection of all invoices.

The Cash Receipt report allows a division to review all payments received for all invoices.

#### Workshop Management System (WMS) Receivables

The Workshop Management System allows individuals to sign up and pay for workshops that are offered through HCDE by credit card. Once a participant pays online confirmation is received through the WMS system. The payment is processed and posted to the division's revenue account or deferred account if the event has not occurred. If a division would like to review the payment status of any workshop for participants, a detailed revenue audit trail report may be produced in Pentamation.

Once the event has occurred, the payment that was coded to the deferred account will be reclassified to the revenue account using a journal entry. All journal entries are approved by the Chief Accounting Officer prior to posting in the general ledger.

For verification of payments, please email Accounts Receivable at [accountsreceivable@hcde-texas.org](mailto:accountsreceivable@hcde-texas.org). Requests for credit card refunds are processed by Accounts Receivable as needed. All requests for refunds must be requested within 6 months of the payment/transaction date. **Division manager approval is required in order to process the refunds.**

#### Processing Deadlines


All invoices are due no later than the fourth working day of each month. Invoices received after this day will be processed on the following month. Deposits are made on a daily basis. WMS payments are captured and recorded on a weekly basis.

#### Check Return Processing

There is a \$40.00 processing fee for all checks returned for non-sufficient funds. All NSF checks will be returned to the originating division for collection including the \$40.00 NSF fee. The check will be returned to Division or re-deposited if the issuer requests it. If the issuer does not request to have the check re-deposited another acceptable form of payment must be made.

#### Accounts Receivable subsidiary closing

The accounts receivable specialist will process all transaction received up to the fourth working day of the following month prior to closing the month in the subsidiary. The accounts receivable subsidiary will be closed by the fifth working day of following month once the subsidiary is reconciled to the general ledger. Invoices received after this day will be processed on the next month. Statement and reports will be generated once the month has been closed.

	<p style="text-align: center;"><b>ACCOUNTING PROCEDURES</b></p> <p style="text-align: center;">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p> <p><a href="#"><u>CCG (LOCAL)</u></a></p>
<p>DATE DEVELOPED: 03/26/06</p>	<p>REVISED DATE: 11/11/16</p>	
<p>SUBJECT: Processing Non-Tax Deposits</p>		

### **Purpose**

To provide guidelines for bank deposits

### **Procedure**

All deposits should be submitted to Genoveva Lira Senior grant accounting clerk in the Business Office. A memo is required for all deposits (check or other non-monetary forms). Cash is accepted at the HCDE schools only. Receipts will be provided for cash deposits **only**. Receipts for non-monetary deposits are available by request.

### **Delivery Options**

#### **Inter office Deliveries**

All deposits delivered via interoffice mail should accompany a deposit memo. Only checks are accepted through interoffice mail.

#### **Hand deliveries**

All deposits delivered via hand delivery should accompany a deposit memo. Cash is accepted at the HCDE schools only. Exceptions to accepting cash deposit require the Assistant Superintendent for Business Services approval or designee.

### **Recording Deposits**

All deposits are made via image direct deposit (IDD) which allows the Department to receive same day credit. A cash receipt log form is prepared listing all checks and supported by the IDD batch list which details the amount of the deposit. The cash receipt log form is reviewed and approved by the Chief Accounting Officer. Deposits are made in the following categories: (1) Deposits for invoices such as records management, therapy, and other billable services that are entered in Community Plus and (2) Miscellaneous or deferred deposits such as registration fees and insurance reimbursements. Once the form is fully executed, a journal entry is entered in Pentamotion in order to record these transactions on the books.

### **Processing Deadlines**


Deposits are made on a daily basis. All checks received will be deposited unless information is pending from the division. All undeposited check will be kept in the Business Service safe. The senior grant accounting clerk will follow up with the division

manager in order to resolve any questions on the checks and deposit these checks in the month received.

#### *Cash Deposits at the schools*

HCDE schools are allowed to receive cash, checks or money orders as payment for services provided. The office clerk/bookkeeper responsible for collecting payments must secure all money in a safe or filing cabinet with a key. Checks received for deposit will be immediately endorsed with the statement "For Deposit Only" and the account number. A deposit ticket will be prepared listing all the cash and the checks. Bank deposits shall be made by the office clerk/bookkeeper or other designated employee on a daily basis (unless there is less than \$100 to be deposited) to the closest CHASE bank and delivered in a secure deposit bag or hand deliver the money to the senior grant accounting clerk who will process the deposit. Two copies of the deposit ticket and checks indicating the general ledger account number must be made prior to delivering the deposit to the bank. One set of copies will be maintained at the office for their records and the other copy will be submitted to the senior grant accounting clerk at the Business Services for recording to the general ledger by the next business day.

The office clerk/bookkeeper will review on a weekly basis the detailed revenue report on Pentamation to verify that all deposits are recorded accurately. If corrections are needed, please contact the senior grant accounting clerk at extension #3131.

	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <a href="#"><u>CCG(LEGAL)</u></a>
DATE DEVELOPED: 02/09/09		REVISED DATE: 5/07/13
SUBJECT: Processing Tax Deposits		


### **Purpose**

To provide guidelines for processing tax deposits.

### **Procedure**

HCDE tax deposits are collected and deposited through a third-party administrator, Harris County Tax Assessor and TexStar Investment Pool. The following steps are made to ensure that tax deposits are accurately recorded, receiving the maximum amount of interest and deposited in a timely manner:

- All tax deposit confirmations are received via email from TexStar Investment Pool and a hard copy confirmation is downloaded from the Harris County Tax Assessor's Filezilla software program.
- A journal entry is prepared to record the tax deposits in the general ledger.
- All tax deposit journal entries must be reviewed and approved by the Chief Accounting Officer before being entered into the accounting system.
- The Junior Accountant will prepare monthly reconciliations to ensure accuracy and accountability of all tax deposits.
- All reconciliations of tax deposits must be reviewed and signed off by the Chief Accounting Officer.

	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <a href="#"><u>CCG (LOCAL)</u></a>
DATE DEVELOPED: 02/06/09		REVISED DATE: 05/07/13
SUBJECT: Processing Registrations		

### **Purpose**

To provide guidelines for processing registrations

### **Procedure**

All participants who would like to attend a workshop(s) held at the HCDE Conference Center may (1) register online through HCDE Ungerbough, (2) Mail in a registration form with payment or (3) register and pay on site. The following procedure should be followed to insure that participants are registered in a timely manner:

#### **Participants Responsibility**


- (1) Register for the workshop on HCDE website.
- (2) Choose your payment option, check, money order, purchase order, or credit card.
- (3) Mail in registration and payment, if applicable.
- (4) Receive confirmation of your registration

#### **Business Office Responsibility**

- (1) Receive registration forms and/or payments through mail.
- (2) Date stamp registration forms and payments.
- (3) Scan registration forms and payment to the appropriate division and Workshop Management coordinator
- (4) Process deposit(s)

#### **Divisions Responsibility**

- (1) Receive the participant's registration and payment via scan and process in accordance with internal procedures.

	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <a href="#"><u>CCG(LEGAL)</u></a>
DATE DEVELOPED: 11/25/08		REVISED DATE: 05/05/15
SUBJECT: Customer Refunds, Credit memos, Overpayments, Billing adjustments		

### **Purpose**

To provide guidelines for the handling customer refunds, credit memos, billing adjustments, overpayments and duplicate billings.

### **Procedure**

All customer refunds, credit memos, billing adjustments, overpayments and duplicate billings are requested by the divisions and forwarded to Business Services, Accounts Receivable Specialist, for processing. Written requests may be sent by email or a hard copy may be forwarded by interoffice mail. Division manager approval is required in order to process the accounts receivable adjustment. The following guidelines should be followed to ensure accurate and prompt processing of refund requests.

### **Responsibility of the Divisions**

Customer refunds are requested and approved by the budget manager, the requester must prepare a payment authorization that includes (1) customer name or invoice number (2) reason for refund (3) amount of the refund and (4) Budget Manager signature. Credit card refunds request must be sent to [accountsreceivable@hcde-texas.org](mailto:accountsreceivable@hcde-texas.org) stating the reason for the refund and budget manager approval.

### **Responsibility of the Business Service-Accounts Receivable**

Once a written request is received by the Accounts Receivable Specialist, the invoice will be researched for verification. The Accounts Receivable Specialist will start the process for the refund or credit memo in a reasonable time, usually within a week. A copy of the refund or credit memo is available upon request for the division.


All refunds, credit memos, adjustments and overpayments must be approved by the Chief Accounting Officer for amounts between \$0.01 cent and \$499.99 and the approval of the Asst. Superintendent of Business Services for anything exceeding \$500.00 before processing. Documentation regarding the rationale for the adjustment, refunds, credit memo or overpayments must be included in the refund check request. Once the required approvals are obtained, the Accounts Receivable specialist will process the adjustment. All adjustments are subject to audit and be reviewed by the external auditors.

All refunds for Workshop Management System (WMS) credit card payments will be refunded via the credit card processing system. Customers will be notified by email for all WMS refunds.

All requests for refunds must be made within 6 months of the payment/transaction date. Refunds for payments made by check must be requested by the division using a payment authorization form, which needs to be submitted to the accounts payable for processing.

### Reports

A monthly aging report is submitted to the Asst. Superintendent of Business Services for all accounts receivable accounts. This report is forwarded to all divisions for review and verification.

	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <a href="#"><u>CH (LOCAL)</u></a>
DATE DEVELOPED: 03/26/06		REVISED DATE: 11/11/16
SUBJECT: Returned Checks		


**Purpose**

To provide guidelines for processing returned checks.

**Procedure**

HCDE accepts cash, checks, money orders and credit cards for payment. Deposits are made on a daily basis. In the event a check is returned due to insufficient funds, a fee of \$40.00 will be assessed. The Business Office will notify the Division when a check is returned. The check will be returned to Division or re-deposited if the issuer requests it. If the issuer does not request to have the check re-deposited another acceptable form of payment must be made.




	<p><b>ACCOUNTING PROCEDURES</b></p> <p>HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p> <p><a href="#"><u>DH (LOCAL)</u></a></p>
<p>DATE DEVELOPED: 03/26/06</p>	<p>REVISED DATE: 05/01/09</p>	
<p>SUBJECT: Employees Personal checks</p>		

**Purpose**

To provide guidelines for processing personal checks.

**Procedure**

HCDE accepts cash, checks, money orders and credit cards as forms of payment. Checks are acceptable for payment of services and reimbursements only. **Under no circumstances should an employee's personal check be cashed.**

	<div>DESK PROCEDURE</div> <div>HARRIS COUNTY DEPARTMENT OF EDUCATION</div>	Reference:  <i>Accounts Receivable</i>
DATE DEVELOPED: 06/24/2015 <div>REVISED DATE:</div>		
SUBJECT: Reporting Annual Sales Tax		

**Purpose:**

To ensure accurate and timely filing of the Department's Limited Sales, Excise and Use Tax and to avoid cancellation of exemption.

**Procedure:**

In accordance with Tax Code Chapter 151 Limited Sales, Excise and Use Tax and the provisions set forth by the Texas Comptroller of Public Accounts, HCDE is exempt from Sale and Use taxes as verified on the Texas sales and use tax exemption certificate. A Sales and Use tax report must be filed on a calendar year basis on or before January 20 of the following year.

**How to file taxes:**

The Department uses the State Comptroller's Web File to report the annual Sales tax report electronically. Division managers must submit a monthly sales tax report to the Business Service if the division collected any sales taxes on items sold by the division. If there were no sales tax collections for the month, a sales tax report must still be submitted with a zero dollar amount on or before January 20 following the calendar year end.

**Responsible Parties:**


The Accounts Receivable Specialist is responsible for the collection of the sales tax reports submitted by the divisions and for the preparation of the Limited Sales, Excise and Use Tax to the State Comptroller's office on an annual basis. The Chief Accounting Officer will review and approve the report and will forward the report to the Assistant Superintendent for final signature and approval.

**Submission and Confirmation of the Sales Tax Report**

The Senior Grant Accounting Specialist is responsible for the timely submission of the report on the State Comptroller's WebFile. Once the report has been filed, a confirmation sheet should be printed and filed.

## **Accounts Payable**

The Accounts Payable Department is responsible for ensuring that all obligations of HCDE have been paid in a timely manner and in compliance with all state, local, and federal regulations.

	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference: <i>CH (LOCAL)</i> <i>CH (LEGAL)</i>
DATE DEVELOPED: 03/26/06		
REVISED DATE: 11/04/16		
SUBJECT: Payment Authorizations		

### **Purpose**

To provide guidelines for processing payments prepared on a Payment Authorization.

### **Procedure**

A Payment Authorization is a request to process a payment for goods or services that have already been delivered. Each requestor is responsible for completing a Payment Authorization form and obtaining approval from the budget manager or an authorized person. **A Payment Authorization requires the original Payment Authorization-no faxed or scanned copies, the vendor number, the original invoice, receipt(s) and other supporting documentation before payment is processed. ALL PAYMENTS WILL BE EXCHANGED IN US DOLLARS, CANADIAN DOLLARS AND OTHERS ARE NOT ACCEPTABLE.**

Division personnel are responsible for verifying that funds are available in the budget before initiating a payment authorization. **Effective August 1, 2016, all contracted services invoices paid with a payment authorization requires the vendor contract to be attached to the payment authorization. At the minimum, please provide the term and compensation sections of the contract. This is necessary to determine that the purchase was competitive procured in accordance with CH Local and CH Legal.** Requestors are encouraged to retain a copy of the payment authorization with backup documentation for future references. All payment authorizations should be forwarded to the Business Office/Accounts Payable for processing.

**Authorized Signatures**-Only the budget manager or an authorized designee is allowed to approve and sign payment authorizations and invoices. Budget managers should ensure that the signature authorization form is updated at all times.

**Authorized Transactions**-The following transactions are authorized for payments on a payment authorization:

### **Payment authorizations with no dollar limit restriction: (as required by agency and approved by supervisor)**

- Credit card payments
- Grant payments to schools and school districts
- Payroll related payables (types of insurances). These payables should be coded to a balance sheet account not an expenditure account
- Permits
- Legal notices and advertisements
- Licenses
- Registration fees
- Subscriptions
- Membership dues
- Postage

- Travel expenses (prepaid airfare and hotel only)
- Temporary staffing services

**Payment authorizations with \$2,500 maximum limit:**

- Catering and food for meetings
- Cell phone reimbursements
- Reimbursements for business meetings/luncheons
- Student fieldtrips (charter costs or admission costs)
  - Proper insurance must be reviewed by division manager and a copy of the insurance should be attached to the payment authorization form
- Payments to a vendor that does not accept purchase orders
- Personal reimbursements for items spent in accordance with the Employee Recognition Manual (located on the HCDE Portal under Human Resources)
- Minor equipment repairs
- All Contracted services charged to 62190000 (with contract attached)
- Non-employee reimbursements paid from 64XX
- Merit awards, student awards and other educational related awards have a dollar threshold of \$49.00 per item. All awards should be age appropriate. Purchases should never contain any mature or adult content or contain a "R" or "M" rating on audio/visual materials.

**When in doubt, submit purchase orders instead of payment authorizations.  
All other expenditures not listed above require a purchase order.**

Payment authorizations submitted for items that require a purchase order will not be approved unless authorized by the Assistant Superintendent for Business Services. A request for payment of goods and services without justification and is in violation of the procurement policies will be returned to the requestor.

**It should be noted that any payment requests above \$2,500 requires either three written quotes or be part of a current Job Number duly approved by the Board of Trustees.** Any payment in violation of these guidelines may become a personal liability of the individual and/or the division manager. **Also, payments made on a payment authorization that has \$2000 or more of labor services provided must have a contract to comply with the David Bacon Act.**

**According to CH Local <http://pol.tasb.org/Policy/Code/578>,** all single items or cumulative expenditures amounting to \$50,000 are required to be pre-approved by the Board of Trustees prior to the cumulative purchases.

In order to meet this requirement, the Purchasing Office will submit to the Board of Trustees a monthly payment history report of all vendors with cumulative payments totaling \$50,000.

**Division Managers are required to plan** and notify the Purchasing Office of any planned purchases amounting to \$50,000 in a fiscal year so that these purchases are reported prior to the cumulative purchases.

**Supporting Documentation**

The following documents must accompany a payment authorization, if applicable, before processing:

- Original invoice or receipt signed and dated or stated "OK to Pay"
- Registration forms (original & 1 copy)
- Application for renewals/permits (original & 1 copy)

- Subscriptions
- Billing receipts
- Hotel confirmations
- Copy of notices or advertisements
- Verification checklist
- Copy of consultant's contract

**Note: Reimbursements will not be processed without the receipts.**

#### Form Completion

When preparing a payment authorization, the requestor should ensure that the form is complete, legible and accurate. To avoid duplication of vendors, requestors should refrain from using "nicknames" or acronyms. Vendor and consultant's name should reflect the name on the W-9. The requestor should type a detail description, such as a black pen rather than an item number. A verification checklist should be attached to the payment authorization and the payment authorization should have the correct Remit to address for which payment should be mailed. Forward all payment authorizations to the Business Office for processing.

#### What to do when funds are unavailable (exceeds budget balance)?

If you were notified that your payment authorization was not processed due to funds unavailable, follow the steps below:

- (1) Contact your budget manager or designee;
- (2) Initiate a budget transfer and forward to the Business Office;
- (3) Confirm that the budget transfer was processed and ;
- (4) Notify an Accounts Payable specialist after the budget transfer/amendment has been processed


**Note: A payment will not be processed when funds are unavailable.**

#### Processing Deadlines and Check Distribution

Payment authorizations submitted on Tuesday by 12:00 noon will be processed on the following Wednesday provided that all submitted paperwork is complete, accurate and have not been returned. All checks will be mailed unless approved for pickup by the Asst. Superintendent for Business Services or the Chief Accounting Officer. Refer to the Business Services Calendar for check distribution dates.

#### Sales Taxes

The Department is exempt from sales taxes, but not hotel taxes. Payment authorizations should not include sales taxes for payment or reimbursements to employees for purchases made for the benefit of the Department. For more information on HCDE tax exemption privileges, refer to the Texas Sales Tax exemption procedure.

 <div>Harris County Department of Education</div>	<div>ACCOUNTING PROCEDURES</div> <div>HARRIS COUNTY DEPARTMENT OF EDUCATION</div>	Reference:  CH (LOCAL) CH (LEGAL)
DATE DEVELOPED: 03/26/06		
REVISED DATE: 08/04/16		
SUBJECT: Purchase orders		

### **Purpose**

To provide guidelines for processing payments prepared on purchase orders

### **Procedure**

Purchase Orders are processed from an approved requisition entered in Pentamation. Division personnel are responsible for verifying that funds are available in the budget line item and a current contract exist on file **before** initiating a requisition. Each requisition requires at least two (2) days for processing after approvals. All approvals and required documentation must be received in the Purchasing Department before a Purchase Order is processed. Employees are prohibited from ordering / receiving purchases that have not been converted into a Purchase Order. After a Purchase Order has been processed, the Purchasing Department will forward the Purchase Order to Accounts Payable for processing payment. **ALL PAYMENTS WILL BE EXCHANGED IN US DOLLARS, CANADIAN DOLLARS AND OTHERS ARE NOT ACCEPTABLE.**

*Authorized Signatures-Only the budget manager or authorized designee is allowed to approve and sign invoices. Budget managers should ensure that the signature authorization form is updated at all times.*

### **Types of Purchase Orders**

- **One-time Purchase Order**  
A one-time purchase order is processed when purchases are made or services are requested, ordered, received, paid, and closed in a short period of time. This is the most common type of purchase order that HCDE utilizes. Items listed on the purchase order cannot be exchanged for a different item once the purchase order is issued.
- **Open or Blanket Purchase Order**  
An open or blanket purchase order is processed when a specific amount of money is encumbered to cover expenditures that are usually paid monthly. Examples are: utilities, contractors, lease payments, etc. Divisions are responsible for forwarding all changes in contract prices to Accounts Payable.

It is the responsibility of the division to monitor all open or blanket purchase orders. When all monies are spent on the purchase order the purchase order will be closed.

### Delivery Options

#### **Merchandise delivered to the Warehouse (6005 Westview)**

When there is a delivery to the Warehouse, the merchandise will be delivered to your division by Facilities personnel. You will be required to sign off on the receipt of the delivery. Please review your order for accuracy. All **technology purchases** must be delivered to the Warehouse for inventory clearance. Once invoices are received in Accounts Payable, a copy will be forwarded to the appropriate division personnel for approval.

#### **Merchandise delivered to all other locations**

Once merchandise is received in the division or at a requested location other than the Warehouse, division personnel should immediately review and verify merchandise against the packing slip(s). For future reference, please retain a copy of the packing slips for your records. Accounts Payable will forward the invoice for confirmation of delivery and approval for payment. **Please include the PO number on the approved invoice(s).**

*If **partial shipment** is received*, please notify Accounts Payable. When you receive the invoice for approval, make a notation on the invoice of all items not received.

NOTE: Merit awards, student awards and other educational related awards have a dollar threshold of \$49.00 per item. All awards should be age appropriate. Purchases should never contain any mature or adult content or contain a "R" or "M" rating on audio/visual materials.

#### What to do when funds are unavailable (exceeds budget balance)?

- (1) Contact your budget manager or designee;
- (2) Initiate a budget transfer and forward to the Business Office;
- (3) Confirm that the budget transfer was processed and ;
- (4) Notify an Accounts Payable specialist after the budget transfer/amendment has been processed

**Note: A payment will not be processed when funds are unavailable.**

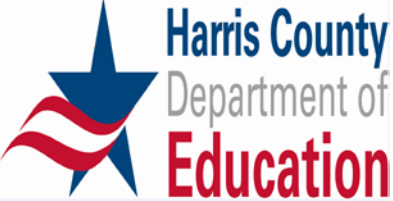
### Processing Deadlines and Check Distribution

In most cases, one-time purchase orders are paid when all approved paperwork is received in Accounts Payable. Checks are mailed every Wednesday, except when a Wednesday falls on a HCDE Holiday or when other Business Services processes take precedent, provided that all paperwork is complete, accurate and have not been returned. Checks will not be held for pickup unless prior approval has been given by the Asst. Superintendent of Business Services or the Chief Accounting Officer. Notification will be given if any changes are made to a scheduled date specified on the Business Services Calendar.



### **Accounts Payable Process for Payments submitted on A PURCHASE ORDER**

1. Accounts Payable receives a copy of the signed Purchase Order /contract if applicable from Purchasing.
2. Accounts Payable receives the invoice from the vendor.
3. Accounts Payable matches the invoice to the Purchase Order.
4. Accounts Payable forwards the invoices to the division budget manager for review and approval.
5. Once reviewed, the budget manager signs, "OK TO PAY" on the invoice and returns it to Accounts Payable for processing. The "OK TO PAY" certifies that the items or services listed on the invoice has been received in full unless otherwise noted.
6. AP enters the payments in two batches, one is for payment less than \$2,500 and the other is for payments \$2,500 and above noted with the appropriate Business Office reviewer for grants and accounting.
7. Batches are reviewed and proof read by an AP Specialist who did not enter the batch in the system to ensure accuracy of invoice numbers, correct vendor and amounts.
8. The Accounting Manager reviews all batches to confirm budget manager signatures, "OK TO PAY" and supporting documentation including current signed contracts, if applicable.
9. Batches are forwarded to the appropriate Grant Accountant or Senior Accountant to verify accountability, allowable goods and services and funds availability.
10. Batches are then forwarded to the Chief Accounting Officer for review and approval.
11. All batches over \$2,500 are forwarded to the Assistant Superintendent of Business or designee (Chief Accounting Officer) for approval.
12. Batches are returned to the AP Specialist for processing.
13. Batches are released and processed. Checks are printed, match with supporting documentation, if any, and mailed. If the vendor is on direct deposit, a voucher will be emailed.
14. All checks processed in the amount of \$15,000 and over must be manually signed by the Assistant Superintendent of Business prior to releasing the checks.
15. Each AP Specialist sends a Positive Pay file (checks) and the EFT file (direct deposit) to the bank for the total amount of the batches processed.
16. A Verification Checklist form is signed by the AP specialist and a verifier (usually another AP Specialist) for the submission of the Positive pay file and the EFT file.
17. The Verification Checklist is then given to the Accounting Manager to verify that the Positive Pay file and the EFT files have been submitted electronically to the bank with the correct amounts.
18. The Accounting Manager tallies the amounts from each of the batch totals then forwards the verification checklist with the totals to the Sr. Accountant for the release of the EFT files and to transfer the total amount of the batches (checks and EFT) to the Accounts Payable cash account.
19. Once processed, the Sr. Accountant returns the Verification Checklist and the file totals summary sheet(s) to the Accounting Manager.
20. The Accounting Manager verifies the transfer of funds and the release of the EFT files.
21. The Accounting Manager signs off on the transfer form then forwards it to the Jr Accountant for the end of the month cash reconciliations.

	<b>ACCOUNTING PROCEDURES</b> HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference: CH (LOCAL) CH (LEGAL)
DATE DEVELOPED: 10/30/08	REVISED DATE: 04/29/13	
SUBJECT: Processing payments for temporary personnel services		

### **Purpose**

To provide guidelines for processing payments for temporary personnel services. **ALL PAYMENTS WILL BE EXCHANGED IN US DOLLARS, CANADIAN DOLLARS AND OTHERS ARE NOT ACCEPTABLE.**

### **Procedure**

The procedure for processing of temporary services will include the following steps.

#### **Originating Division**

- Identify a need and secure funding for the temporary services request.
- Ensure that funds are available in your budget line item for account code 62150000.
- Complete the temporary requisition form.
- Forward the temporary requisition form to Human Resources for review and to obtain a cost estimate.
- Initiate a requisition through Pentamotion.

#### **Human Resources**

- Ensure the temporary personnel requisition form is complete.
- Contact the temporary service provider for availability and receive a cost estimate and hourly rate.
- Contact the requested division and provide a cost estimate.
- Forward the temporary requisition form to the Purchasing Department.

#### **Purchasing**

- Review and approve the requisition
- Process a purchase order
- Forward a copy of the purchase order to the originating division, Human Resources, and Accounts Payable (with temporary personnel requisition attached)

#### **Accounts Payable**

- Receive and review purchase order and temporary personnel requisition form for accuracy.
- Scan a copy of the invoice to the Budget manager
- Obtain an approval from the Budget manager by requesting a signature and referencing the PO number on the scanned copy of the invoice and denoting "OK to Pay".

***Authorized Signatures-Only the budget manager or authorized designee is allowed to approve and sign invoices for temporary personnel services. Budget managers should ensure that the signature authorization form is updated at all times.***

**What to do when funds are unavailable (exceeds budget balance)?**

If you were notified that your purchase order for Temporary Personnel Services was not processed due to funds unavailable, follow the steps below:

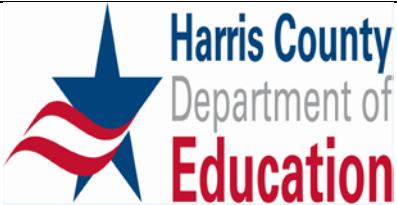
- (1) Contact your budget manager or designee;
- (2) Initiate a budget transfer and forward to the Business Office;
- (3) Confirm that the budget transfer was processed and ;
- (4) Notify an Accounts Payable specialist after the budget transfer/amendment has been processed

**Note: a payment will not be processed when there are no funds available.**

**According to CH Local, <http://pol.tasb.org/Policy/Code/578>** all single items or cumulative expenditures amounting to \$50,000 are required to be pre-approved by the Board of Trustees prior to the cumulative purchases. In order to meet this requirement, the Purchasing Department will submit a payment history report to the Board for all vendors with cumulative payments amounting to \$50,000 on a monthly basis.

**Processing Deadlines and Check Distribution**

Purchase orders submitted on Tuesday by 12:00 noon will be processed on the following Wednesday, providing that all submitted paperwork is complete and accurate. Refer to the Business Services Calendar for check distribution dates.

	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <i>DEE (LOCAL)</i>
DATE DEVELOPED: 03/22/06		REVISED DATE: 02/23/18
SUBJECT: Travel Reimbursements (Out of County or State)		

### **Purpose**

To provide guidelines for processing reimbursements for employee travel expenses.

### **Procedure**

Travel expenses incurred by an employee who travels on business on behalf of HCDE outside the area of the employee's principal work site or home are considered reimbursable expenses. Travel reimbursements may include meals, lodging, transportation cost and other incidental expenses. All receipts must be signed by the employee. Budget Managers are responsible for verifying funds are available before approving each request for travel reimbursement. All travel reimbursements are subject to review and final approval by the Business Office. **ALL PAYMENTS WILL BE EXCHANGED IN US DOLLARS, CANADIAN DOLLARS AND OTHERS ARE NOT ACCEPTABLE.**

In order for travel reimbursements to be excludable from employee's wages, the expenses incurred must be ordinary and necessary while traveling overnight away from home and meet the accountable plan rule requirements (see below). Travel reimbursement expenses that are reviewed and do not meet the accountable plan rule will be processed under the non-accountable plan rule and the incurred expenses may be included in the employee's wages subject to payroll taxes.

Effective September 1, 2011, all travel reimbursements paid from **General funds** must be submitted within 30 days after the last date of travel and before September 15 of each fiscal year. Travel reimbursements submitted after the current fiscal year may be forfeited. Travel reimbursements disbursed from **Special Revenue or Grant funds** must be submitted within 30 days after the last date of travel and no later than 15 days after the end of the grant period. Travel reimbursements submitted after 15 days of a grant closing period will be returned to the requester. All reimbursements for personal vehicle mileage or submitted through the Travel Management System (TMS) must accompany documentation of proof of insurance on the **first** reimbursement of each fiscal year.

### **Request to Attend Form**

A request to attend online form is required to accompany a travel reimbursement form for all out of county and out of state travel. It is not required for attending a workshop, conference or a luncheon held at any HCDE locations (Irvington, NPO, Special Schools other facilities).

### **Out of County Travel**

All expenses related to out of county travel must be approved by the budget manager or designee. The designee for each division must be on the signature authority form as an alternate signer. A request to attend form must be completed, signed and submitted with the original travel reimbursement form. If an employee is no longer employed with HCDE, a

payment authorization form must be submitted with supporting documentation for processing a reimbursement.

### **Out of State Travel**

Travel out of state must be approved by the Superintendent or designee. The designee or alternate signer must be on the signature authority form. A request to attend online form must be completed, signed by the employee and the budget manager and submitted to the Superintendent or designee for approval before any travel arrangements are made and all travel reimbursement requests upon return must be approved by the Superintendent.

**Authorized Signatures**-Only the budget manager or authorized designee is allowed to approve and sign a travel reimbursement form, unless otherwise noted. Budget managers should ensure that the signature authorization form is updated at all times.

### **Accountable Plan Rule:**

All travel expenses are excludable from wages under the accountable plan rule if all of the following requirements are met:

- There is a business connection
- Accounting for expenses is met by substantiation (employee is able to provide the amount, date and time, place and business purpose) of the expenses with receipts
- Excess monies are returned within a reasonable time (advances only)

If the above requirements are not met, all expenses will be processed under the non accountable plan rules, included in wages and subject to payroll taxes.

### **Meal Expenses**

Meal expenses are reimbursed on a per diem basis. Meal expenses incurred on full travel days associated with overnight travel are considered substantiated without receipts if the expenses are equal to the per diem rate and accompanied by a full agenda. Out of State meal expenses will be paid at the federal rate in accordance with the CONUS per diem guideline for that state/county.

Meal expenses that are approved and do not require an overnight stay may be reimbursed. However, non overnight stay meal reimbursements will be processed through payroll and the reimbursed amount will be subject to applicable taxes. Employees must provide adequate documentation verifying the time, place and business purpose for each meal reimbursement request.

### **Transportation Expenses**

Travel expenses may include personal automobile mileage, common carrier cost, and other approved travel arrangements to and from the business related destination. Travel reimbursements for transportation expenses incurred, require substantiation and itemized receipts. Refer to the Official Rate Guide for determining reimbursement basis.

### **Airfare Expenses**

All reimbursement requests for airfare expenses require three (3) quotes. An airfare quote form must accompany the travel reimbursement form.

### **Miscellaneous Expenses**

Miscellaneous expenses may include toll fees, parking fees, conference materials, and telephone/internet expenses etc that are reasonable and necessary for business purposes. Miscellaneous expenses require substantiation and receipts. Refer to the Official Rate Guide for determining reimbursement basis.

### **Official Rate Guide Used for Determining Reimbursement**

Expenses incurred related to business travel are subject to the Business Office standard business procedures.

#### **Reimbursable travel expenses**

Non-prepaid registration, lodging and transportation

Conference materials

Per diem within the State of Texas (overnight / day travel)

Per diem outside the state of Texas

Parking at an event or out of town

Airport parking at Hobby and IAH

Ground transportation

Rental cars (with prior approval)

Rental car fuel

Personal automobile mileage

Tips (personal)

Toll road fees

Other miscellaneous expenses

#### **Based on:**

actual receipt

cost minus sales taxes

Current rate \$9.00 per quarter

Current rate per city, (see per diem mileage guide)

actual receipt

rate up to \$15.00 per day

actual receipt (excluding tips)

actual receipt

actual receipt from gas station (no reimbursement for fuel fill-up at rental drop off location)

current federal rate

unallowable (see tips below)

actual receipt

actual receipt

#### **Express Services**

Employees are prohibited from participating in services that will cause an additional expense incurred for personal conveniences. Employees will not be reimbursed for these types of expenses unless deemed necessary and reasonable for the business agenda and approved by the budget manager. Examples of express services may include but not limited to airport express check-ins, late check-out of the hotel, etc.

#### **Parking at Houston airports**

Employees shall choose the most cost effective rate not to exceed \$15.00 per day for extended parking between off-site lots at either Hobby Airport or Bush Intercontinental Airport.

#### **Rental Cars**

All requests for rental vehicles for purposes of out of town travel require prior approval from the budget manager. Estimated rental costs should appear on the request to attend form to confirm approval. Employees should not purchase additional rental vehicle insurance since HCDE has coverage for Hired Car Damage. If additional insurance is purchased, the employee will not be reimbursed.

Employees should request vehicles that will accommodate the number of passengers plus luggage according to the rental agency recommendation. For example, if you are traveling with 6 passengers, request a vehicle that will accommodate 6 passengers plus luggage. This may require a vehicle larger than a mid-size car.

#### **Hotel Reservation insurance/refund coverage**

HCDE will reimburse employees for the cost of insurance if deemed necessary, reasonable and allocable for valid reasons, if the hotel reservation needs to be changed due to itinerary changes or cancellations. Adequate documentation must be provided to ensure support for the expenditure. The cost of insurance must be included in the "Request to Attend" and prior approval is required. Employees should make every effort to ensure that hotel accommodations are made with anticipation (preferably 30 days or more) to take advantage of the discounted rate. Employees are expected to avoid all cancellations by calling the respective hotel before the deadline

### **Commute Miles**

Commute miles refer to miles driven from your personal residence to your principal or regular work location(s) during or after work hours, whether required or not by the employer. Therefore, if you are scheduled to travel to a conference in your personal vehicle, you do not have to deduct commute miles. Nor do you have to deduct commute miles if you are scheduled to depart from your home to the airport.

### **Eligible Per Diem at Conferences**

If your conference registration fee includes meals (breakfast, including continental breakfast, lunch or dinner, including a scheduled reception that is hosted by the conference vendor, you will not be reimbursed per diem. You must reduce the quarters based on all meals provided. However, if you have an acceptable medical reason why you could not eat the meals provided and you purchased food on your own, you may be reimbursed up to the \$9.00 per diem amount. The reason must be health related or due to a scheduled business meeting. All approved exceptions must be substantiated with documentation. **Note: The reduction of quarters on meals provided does not include private vendor related parties and/or events.** A FULL agenda of the conference must accompany all travel reimbursements.

### **Tips for Business Meals**

Any meal expenses purchased for meetings, conferences or trainings are allowable up to a maximum of 15% gratuity in restaurants and up to 10% for delivery drivers. Gratuities paid over the 15% maximum must accompany an itemized receipt that shows the gratuity amount charge by the restaurant.

### **Food (non-employees)**

All food reimbursements for non-employees (students, parents, etc.) are allowable but are reimbursed up to the current per diem rate or as authorized by the budget manager or as allowed by grant regulations. Actual and itemized receipt must be submitted with travel reimbursement.

### **Travel reimbursements-Supporting Documentation**

The following documents must accompany an original (no faxed or scan copies) travel reimbursement before processing:

- Copy of 'Request to Attend' to substantiate the business travel and approval by budget manager and Superintendent, if necessary
- Full copy of workshop, conference or meeting agenda
- **Original** itemized receipts with requestor's signature
- Mileage calculation results from **Google Maps website**
- Documentation and substantiation for additional mileage
- Record of grant case number (if applicable)

**Note: Reimbursements will not be processed without the receipts.**

### **Travel reimbursement-Form Completion and Distribution**

The following information must be legibly printed or typed on a travel

reimbursement form:

- Requestor's legal name (no nicknames), address and travel itinerary(destination, time, date)
- Registration, lodging and transportation expenses, if applicable.
- Lodging in excess of federal rate must be charged to local funds. Refer to website for federal rates at <http://www.gsa.gov/portal/category/100120>.
- Per diem calculations
  - exclude meals included in registration cost
  - based on quarter time intervals
- Other incidental expenses
- Budget and account code information
- Signatures & approvals

What to do when funds are unavailable (exceeds budget balance)?

- (1) Contact your budget manager or designee;
- (2) Initiate a budget transfer and forward to the Business Office;
- (3) Confirm that the budget transfer was processed and ;
- (4) Notify an Accounts Payable specialist after the budget transfer/amendment has been processed

### **Corrections made on travel reimbursements**


To avoid a delay in processing travel reimbursements, employees should review all calculations for accuracy before submitting the documents to the Business Office. Travel reimbursements that are submitted and are repeatedly inaccurate will be returned to the requester. After the requester makes the corrections the reimbursement will be processed according to the processing deadlines.

**Note: A payment will not be processed when funds are unavailable.**

### **Processing Deadlines and Check Distribution**

Travel reimbursements submitted on Tuesday by 12:00 noon will be processed on the following Wednesday provided that all documents are complete, accurate and have not been returned. Documents returned will be processed on the next regularly scheduled check run provided they are received before the following Tuesday by 12:00 noon. Reimbursements are processed via direct deposit.



	<b>ACCOUNTING PROCEDURES</b> HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference: <i>DEE (LOCAL)</i>
DATE DEVELOPED: 03/22/06	REVISED DATE: 02/23/18	
SUBJECT: Travel Reimbursements (Out of County or State)		

### **Purpose**

To provide guidelines for processing travel reimbursements for employee travel expenses.

### **Procedure**

Travel expenses incurred by an employee who travels on business on behalf of HCDE outside the area of the employee's principal work site or home are considered reimbursable expenses. Travel reimbursements may include meals, lodging, transportation cost and other incidental expenses. **ALL PAYMENTS WILL BE EXCHANGED IN US DOLLARS, CANADIAN DOLLARS AND OTHERS ARE NOT ACCEPTABLE.**

Effective September 1, 2011, all travel reimbursements paid from **General funds** must be submitted within 30 days after the last date of travel and before September 15 of each fiscal year. Travel reimbursements submitted after the current fiscal year may be forfeited. Travel reimbursements disbursed from **Special Revenue or Grant funds** must be submitted within 30 days after the last date of travel and no later than 15 days after the end of the grant period. Travel reimbursements submitted after 15 days of a grant closing period will be returned to the requester/attendee.

### **Request to Attend Form**

Effective March 1, 2018 the request to attend will only be expected through the online portal for all employees who travel on business on behalf of HCDE outside the area of the employee's principal work site/ home. A request to attend online form is required to accompany a travel reimbursement form for all out of county / out of state travel. A request to attend form is done before the travel reimbursement form and it is not required for attending a workshop, conference or a luncheon held at any HCDE locations (Irvington, NPO, Special Schools other facilities).

**Step One:** You will receive a notification in your HCDE outlook saying "Welcome Back" Please edit /submit your Travel Reimbursements.

 Reply
 Reply All
 Forward
 IM

Fri 4/27/2018 5:06 PM



HCDE-PORTAL

**Welcome Back!** Please edit and submit your Travel Reimbursement

To 

Cc 

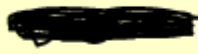
Action Items

A new TravelReimbursement form for  for the HOUSTON PUBLIC SECTOR CPE EVENT is available at the following link:

<https://hcdeportal.hcde-texas.org/Nintex/Lists/TravelReimbursement/EditForm.aspx?ID=129>

[TravelReimbursement #129](#)

The system automatically populates the numbered travel reimbursement in the email. This document is ready for review and needs to be updated for approval/payment.

			<b>Travel Reimbursement #185</b>		
<b>Attendee *</b> 		<b>Division *</b> Center for After School Summer and Expanded Learning			
<b>Conference/Workshop *</b> National Afterschool Association (NAA)					
<b>Location</b>		<b>City *</b>		<b>State/Region *</b>	
Hyatt Atlanta		Atlanta		Georgia	
<b>Date and Time of Departure *</b>			<b>Date and Time of Return *</b>		
3/18/2018 2:00:00 PM			3/21/2018 4:00:00 PM		
<b>BENEFITS ANTICIPATED</b>					
<b>Select Goals *</b>		Recruit and maintain a high-quality professional staff			
<b>Purpose *</b>		The National Afterschool Association Convention is the premier national conference for afterschool professionals. It provides an unparalleled opportunity to learn from national experts in the field. The 2018 NAA convention will also provide the opportunity to meet with over 100 exhibitors and network with other afterschool professionals to explore ideas about programming and learn about new materials and technology. Chasidy Celestine was selected as one of NAA's Next Generation of Afterschool Leaders Award. She is attending the conference as a free participant in acceptance of her award.			

### Out of County Travel

All expenses related to out of county travel must be approved by the budget manager or designee. The designee for each division must be on the signature authority form as an alternate signer. If an employee is no longer employed with HCDE, a payment authorization form must be submitted with supporting documentation for processing a reimbursement.

### Out of State Travel

Travel out of state must be approved by the Superintendent or designee. The designee or alternate signer must be on the signature authority form.

#### **\*Before proceeding to the next segment check to make sure:**

- Attendee's legal name (no nicknames) and the attendee's division is selected. This ensures the correct budget codes are populated for travel reimbursements.

- Identify the Workshop/Conference name, location, city, and state information.
- Date /time of departure and return date/time should be provided as this will help to calculate your per diem for the future travel
- Make certain to provide the goals or the benefits expected results you hope to gain from this travel.

**Step Two:** Use this section to update all travel related expenses associated with this travel. In this section the attendee will provide the actual numbers.

EXPENSES					
Registration Fee	0				\$ 0.00
Lodging	0				\$ 0.00
Transportation					
Total Vehicle Miles	57.9	x	0.5450		\$ 31.56
CommonCarrier	0	3 estimates are required for Air Travel			\$ 0.00
Parking/Other	80.33				\$ 80.33
Total Transportation					\$ 111.89
Per Diem Calculation					
	1stQ	2ndQ	3rdQ	4thQ	
Departure Date	0	0	1	1	2
InterimDays	2	x 4			8
Return Date	1	1	1	0	3
Reduction of Quarters based on Meals Provided					3
Total Quarters x Per Diem Rate					10 x 17.25 = \$ 172.50
Please add a reason for changing the Per Diem rate from the default value:					
The GSA per diem for Atlanta is \$69 divided by 4 equals to 17.25.					
TOTAL EXPENSES					\$ 284.39

### **Meal Expenses**

Meal expenses are reimbursed on a per diem basis. Meal expenses incurred on full travel days associated with overnight travel are considered substantiated without receipts if the expenses are equal to the per diem rate and accompanied by a full agenda. Out of State meal expenses will be paid at the federal rate in accordance with the CONUS per diem guideline for that state/county.

Meal expenses that are approved and do not require an overnight stay may be reimbursed. However, non overnight stay meal reimbursements will be processed through payroll and the reimbursed amount will be subject to applicable taxes. Employees must provide adequate documentation verifying the time, place and business purpose for each meal reimbursement request.

### **Transportation Expenses**

Travel expenses may include personal automobile mileage, common carrier cost, and other approved travel arrangements to and from the business related destination. Travel reimbursements for transportation expenses incurred, require substantiation and itemized receipts. Refer to the Official Rate Guide for determining reimbursement basis.

### **Airfare Expenses**

All reimbursement requests for airfare expenses require three (3) quotes. An airfare quote form must accompany the travel reimbursement form.

### **Miscellaneous Expenses**

Miscellaneous expenses may include toll fees, parking fees, conference materials, and telephone/internet expenses etc that are reasonable and necessary for business purposes. Miscellaneous expenses require substantiation and receipts. Refer to the Official Rate Guide for determining reimbursement basis.

### **Official Rate Guide Used for Determining Reimbursement**

Expenses incurred related to business travel are subject to the Business Office standard business procedures.

#### **Reimbursable travel expenses**

Non-prepaid registration, lodging and transportation

Conference materials

Per diem within the State of Texas (overnight / day travel)

Per diem outside the state of Texas

Parking at an event or out of town

Airport parking at Hobby and IAH

Ground transportation

Rental cars (with prior approval)

Rental car fuel

Personal automobile mileage

Tips (personal)

Toll road fees

Other miscellaneous expenses

#### **Based on:**

actual receipt

cost minus sales taxes

Current rate \$9.00 per quarter

Current rate per city, (see per diem mileage guide)

actual receipt

rate up to \$15.00 per day

actual receipt (excluding tips)

actual receipt

actual receipt from gas station (no reimbursement for fuel fill-up at rental drop off location)

current federal rate

unallowable (see tips below)

actual receipt

actual receipt

### **Express Services**

Employees are prohibited from participating in services that will cause an additional expense incurred for personal conveniences. Employees will not be reimbursed for these types of expenses unless deemed necessary and reasonable for the business agenda and approved by the budget manager. Examples of express services may include but not limited to airport express check-ins, late check-out of the hotel, etc.

### **Parking at Houston airports**

Employees shall choose the most cost effective rate not to exceed \$15.00 per day for extended parking between off-site lots at either Hobby Airport or Bush Intercontinental Airport.

### **Rental Cars**

All requests for rental vehicles for purposes of out of town travel require prior approval from the budget manager. Estimated rental costs should appear on the request to attend form to confirm approval. Employees should not purchase additional rental vehicle insurance since HCDE has coverage for Hired Car Damage. If additional insurance is purchased, the employee will not be reimbursed.

Employees should request vehicles that will accommodate the number of passengers plus luggage according to the rental agency recommendation. For example, if you are traveling with 6 passengers, request a vehicle that will accommodate 6 passengers plus luggage. This may require a vehicle larger than a mid-size car.

### **Hotel Reservation insurance/refund coverage**

HCDE will reimburse employees for the cost of insurance if deemed necessary, reasonable and allocable for valid reasons, if the hotel reservation needs to be changed due to itinerary changes or cancellations. Adequate documentation must be provided to ensure support for the expenditure. The cost of insurance must be included in the "Request to Attend" and prior approval is required. Employees should make every effort to ensure that hotel accommodations are made with anticipation (preferably 30 days or more) to take advantage of the discounted rate. Employees are expected to avoid all cancellations by calling the respective hotel before the deadline

### **Commute Miles**

Commute miles refer to miles driven from your personal residence to your principal or regular work location(s) during or after work hours, whether required or not by the employer. Therefore, if you are scheduled to travel to a conference in your personal vehicle, you do not have to deduct commute miles. Nor do you have to deduct commute miles if you are scheduled to depart from your home to the airport.

### **Eligible Per Diem at Conferences**

If your conference registration fee includes meals (breakfast, including continental breakfast, lunch or dinner, including a scheduled reception that is hosted by the conference vendor, you will not be reimbursed per diem. You must reduce the quarters based on all meals provided. However, if you have an acceptable medical reason why you could not eat the meals provided and you purchased food on your own, you may be reimbursed up to the \$9.00 per diem amount. The reason must be health related or due to a scheduled business meeting. All approved exceptions must be substantiated with documentation. **Note: The reduction of quarters on meals provided does not include private vendor related parties and/or events.** A FULL agenda of the conference must accompany all travel reimbursements.

### **Tips for Business Meals**

Any meal expenses purchased for meetings, conferences or trainings are allowable up to a maximum of 15% gratuity in restaurants and up to 10% for delivery drivers. Gratuities paid over the 15% maximum must accompany an itemized receipt that shows the gratuity amount charge by the restaurant.

### **Food (non-employees)**

All food reimbursements for non-employees (students, parents, etc.) are allowable but are reimbursed up to the current per diem rate or as authorized by the budget manager or as allowed by grant regulations. Actual and itemized receipt must be submitted with travel reimbursement.

**Step Three:** This section requires the proper budget codes. The amounts must equal to the expenses above and it is the division's budget managers responsibility to verify funds are available for approval. Each line item must have sufficient funds available or this document will not be processed.

Budget Codes				
Budget Manager Code	Account	Available	Expense	
922	2888-21-922-99-922 - 64120000 - Per Diem	1,000	172.5	\$ 172.50
922	2888-21-922-99-922 - 64130000 - Transportation	3,689	111.89	\$ 111.89
				\$ 284.39

What to do when funds are unavailable (exceeds budget balance)?

- (1) Contact your budget manager or designee;
- (2) Initiate a budget transfer and forward to the Business Office;
- (3) Confirm that the budget transfer was processed

**Step Four:** This section requires the approval and the attendee must provide supporting documents for all travel associated with this travel reimbursement.

Select the Supervisor to approve the Attendee's TravelReimbursement \*

Lisa Caruthers

Attachments \* Chasidy NAA.pdf

Close

**Authorized Signatures**-Only the budget manager or authorized designee is allowed to approve and sign a travel reimbursement form, unless otherwise noted. Budget managers should ensure that the signature authorization form is updated at all times.


### **Travel Reimbursements supporting documentation**

The following documents must accompany the original travel reimbursement as one attachment before processing. The attendee must select the appropriate budget manager for approval and will receive notification of this approval process until this document reaches the Accounts Payable department for payment.

- Full copy of workshop, conference or meeting agenda
- **Original** itemized receipts with requestor's signature
- Mileage calculation results from **Google Maps website**
- Documentation and substantiation for additional mileage
- Record of grant case number (if applicable)
- Lodging in excess of federal rate must be charged to local funds. Refer to website for federal rates at <http://www.gsa.gov/portal/category/100120>.
- Per diem calculations
  - exclude meals included in registration cost
  - based on quarter time intervals
- Other incidental expenses
- Budget and account code information
- Signatures & approvals

### **Accounts Payable will no longer make corrections**

To avoid a delay in processing travel reimbursements, employees should review all calculations for accuracy before submitting the documents to the Business Office. Reimbursements that are inaccurate will not be corrected by an Accounts Payable .

 <b>Harris County</b> Department of <b>Education</b>	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <i>DEE (LOCAL)</i>
DATE DEVELOPED: 05/23/2018	REVISED DATE: 05/23/2018	
SUBJECT: Request to Attend Procedures (Out of County or State)		

### **Purpose**

To provide guidelines for processing request to attend related to employee travel expenses.

### **Procedure**

Travel expenses incurred by an employee who travels on business on behalf of HCDE outside the area of the employee's principal work site or home are considered reimbursable expenses. Travel reimbursements may include meals, lodging, transportation cost and other incidental expenses

### **Request to Attend Form**

Effective March 1, 2018 the request to attend will only be expected through the online portal for all employees who travel on business on behalf of HCDE outside the area of the employee's principal work site/ home. A request to attend online form is required to accompany a travel reimbursement form for all out of county / out of state travel. A request to attend form is done before the travel reimbursement form and it is not required for attending a workshop, conference or a luncheon held at any HCDE locations (Irvington, NPO, Special Schools other facilities).

**Step One:** Log in the online request portal which can be found on the HUB.  
<https://hcdeportal.hcde-texas.org>

Select New Request to Attend to begin the form. Below represents the online form in three segments of information about the "attendee" the person who will be doing the travel. Each segment should be completed in detail as this represents a rough estimate of the future travel.





## RequestToAttend #351

Attendee \*



Division \*

Schools

Workshop/Conference \*

SLO Summer Institute

Location

City \*

State/Region \*

Embassy Suites

San Marcos

Texas - out of county

Date and Time of Departure \*

Date and Time of Return \*

6/18/2018 12:00:00 PM

6/20/2018 4:00:00 PM

## BENEFITS ANTICIPATED

Select Goals \*

Deliver value to Harris County by utilizing resources in an ethical, transparent and fiscally responsible manner

Impact education by responding to the evolving needs of Harris County

Purpose \*

Prepare for implementation of the SLO process.

### Out of County Travel

All expenses related to out of county travel must be approved by the budget manager or designee.

### Out of State Travel

Travel out of state must be approved by the Superintendent or designee. The designee or alternate signer must be on the signature authority form.

#### **\*Before proceeding to the next segment check to make sure:**

- Attendee's legal name (no nicknames) and the attendee's division is selected. This ensures the correct budget codes are populated for estimated travel.
- Identify the Workshop/Conference name, location, city, and state information.
- Date /time of departure and return date/time should be provided as this will help to calculate your per diem for the future travel
- Make certain to provide the goals or the benefits expected results you hope to gain from this travel.

**Step Two:** Use this section to identify all travel related expenses and the proper budget codes associated with this travel.

EXPENSES					
Registration Fee	300				\$ 300.00
Lodging	213.9				\$ 213.90
Transportation					
Total Vehicle Miles	0	x	0.5450		\$ 0.00
CommonCarrier	0	3 estimates are required for Air Travel			\$ 0.00
Parking/Other	0				\$ 0.00
Total Transportation					\$ 0.00
Per Diem Calculation					
	1stQ	2ndQ	3rdQ	4thQ	
Departure Date	0	0	1	1	2
InterimDays	1	x 4			4
Return Date	1	1	1	0	3
Reduction of Quarters based on Meals Provided					0
Total Quarters x Per Diem Rate					9 x 9 = \$ 81.00
TOTAL EXPENSES					\$ 594.90

### Meal Expenses

Meal expenses are reimbursed on a per diem basis. Meal expenses incurred on full travel days associated with overnight travel are considered substantiated without receipts if the expenses are equal to the per diem rate and accompanied by a full agenda. Out of State meal expenses will be paid at the federal rate in accordance with the CONUS per diem guideline for that state/county.

Meal expenses that are approved and do not require an overnight stay may be reimbursed. **However, non overnight stay meal reimbursements will be processed through payroll and the reimbursed amount will be subject to applicable taxes.** Employees must provide adequate documentation verifying the time, place and business purpose for each meal reimbursement request.

### **Transportation Expenses**

Travel expenses may include personal automobile mileage, common carrier cost, and other approved travel arrangements to and from the business related destination. Travel reimbursements for transportation expenses incurred, require substantiation and itemized receipts. Refer to the Official Rate Guide for determining reimbursement basis.

### **Airfare Expenses**

All reimbursement requests for airfare expenses require **three (3) quotes**. An airfare quote form must accompany the request to attend form.

### **Miscellaneous Expenses**

Miscellaneous expenses may include toll fees, parking fees, conference materials, and telephone/internet expenses etc that are reasonable and necessary for business purposes. Miscellaneous expenses require substantiation and receipts. Refer to the Official Rate Guide for determining reimbursement basis.

### **Official Rate Guide Used for Determining Reimbursement**

Expenses incurred related to business travel are subject to the Business Office standard business procedures.

#### **Reimbursable travel expenses**

Non-prepaid registration, lodging and transportation

Conference materials

Per diem within the State of Texas (overnight / day travel)

Per diem outside the state of Texas

Parking at an event or out of town

Airport parking at Hobby and IAH

Ground transportation

Rental cars (with prior approval)

Rental car fuel

Personal automobile mileage

Tips (personal)

Toll road fees

Other miscellaneous expenses

#### **Based on:**

actual receipt

cost minus sales taxes

Current rate \$9.00 per quarter

Current rate per city, (see per diem mileage guide)

actual receipt

rate up to \$15.00 per day

actual receipt (excluding tips)

actual receipt

actual receipt from gas station (no reimbursement for fuel fill-up at rental drop off location)

current federal rate

unallowable (see tips below)

actual receipt

actual receipt

### **Express Services**

Employees are prohibited from participating in services that will cause an additional expense incurred for personal conveniences. Employees will not be reimbursed for these types of expenses unless deemed necessary and reasonable for the business agenda and approved by the budget manager. Examples of express services may include but not limited to airport express check-ins, late check-out of the hotel, etc.

### **Parking at Houston airports**

Employees shall choose the most cost effective rate not to exceed \$15.00 per day for extended parking between off-site lots at either Hobby Airport or Bush Intercontinental Airport.

### **Rental Cars**

All requests for rental vehicles for purposes of out of town travel require prior approval from the budget manager. Estimated rental costs should appear on the request to attend form to confirm approval. Employees should not purchase additional rental vehicle insurance since HCDE has coverage for Hired Car Damage. If additional insurance is purchased, the employee will not be reimbursed.

### **Hotel Reservation insurance/refund coverage**

HCDE will reimburse employees for the cost of insurance if deemed necessary, reasonable and allocable for valid reasons, if the hotel reservation needs to be changed due to itinerary changes or cancellations. Adequate documentation must be provided to ensure support for the expenditure. The cost of insurance must be included in the "Request to Attend" and prior approval is required. Employees should make every effort to ensure that hotel accommodations are made with anticipation (preferably 30 days or more) to take advantage of the discounted rate. Employees are expected to avoid all cancellations by calling the respective hotel before the deadline.

### **Commute Miles**

Commute miles refer to miles driven from your personal residence to your principal or regular work location(s) during or after work hours, whether required or not by the employer. Therefore, if you are scheduled to travel to a conference in your personal vehicle, you do not have to deduct commute miles. Nor do you have to deduct commute miles if you are scheduled to depart from your home to the airport.

### **Eligible Per Diem at Conferences**

If your conference registration fee includes meals (breakfast, including continental breakfast, lunch or dinner, including a scheduled reception that is hosted by the conference vendor, you will not be reimbursed per diem. You must reduce the quarters based on all meals provided. However, if you have an acceptable medical reason why you could not eat the meals provided and you purchased food on your own, you may be reimbursed up to the \$9.00 per diem amount. The reason must be health related or due to a scheduled business meeting. All approved exceptions must be substantiated with documentation. **Note: The reduction of quarters on meals provided does not include private vendor related parties and/or events.**

**Step Three:** This section requires the proper budget codes. The amounts must equal to the expenses and it is the division's budget managers responsibility to verify funds are available before approving to make sure that each line item has the sufficient amount before this document can be completed for processing.

Budget Codes				
Budget Manager Code	Account	Available	Expense	
970	1998-23-607-99-970 - 64110000 - Lodging	1,654	213.9	\$ 213.90
970	1998-23-607-99-970 - 64140000 - Registration Fee	1,832	300	\$ 300.00
970	1998-23-607-99-970 - 64120000 - Per Diem	783	81	\$ 81.00
				\$ 594.90

**Step Four:** This section requires the approval and the attendee must provide supporting documents for all travel associated with this request to attend.

Select the Supervisor to approve the Attendee's RequestToAttend \*

Please select a value... ▼

Attendee and Supervisor cannot be the same person, this field is Required. \*

Attachments \* [+ Add Attachment](#)

Save & Close Cancel Save and Submit

**Authorized Signatures**-Only the budget manager or authorized designee is allowed to approve and sign a request to attend form, unless otherwise noted. Budget Managers are responsible for verifying funds are available before approving and budget managers should ensure that the signature authorization form is updated always. All travel reimbursements are subject to review and final approval by the Business Office.

**Request to Attend-Supporting Documentation**

The following documents must be attached when processing. Failure to provide this information will delay your request to attend from being processed.

- Full copy of workshop, conference or meeting agenda
- Hotel conformation including the cost for the duration of the trip
- Air flight quotes, rental car conformation, insurance coverage documentation, eligible per diem
- Mileage calculation results from **Google Maps website**

**Note:** Reimbursements will not be processed without the receipts.



## Airline Quotes

The HCDE Airfare Quote Form should be completed by the Employee to ensure that HCDE is getting the best value when flying. Three (3) quotes must be procured from the airline carrier for reimbursement. The actual quote from each airline carrier and this form must accompany the airfare receipt when submitting your travel reimbursement form. **ALL PAYMENTS WILL BE EXCHANGED IN US DOLLARS, CANADIAN DOLLARS AND OTHERS ARE NOT ACCEPTABLE.**

Description of Travel (to and from)	Airline Name: _____	Airline Name: _____	Airline Name: _____
1)	\$	\$	\$
2)	\$	\$	\$
3)	\$	\$	\$
4)	\$	\$	\$
5)	\$	\$	\$

**Comments:**

---



---



---



---

**Submit this form along with the hard-copy quotes as backup for the transaction with your travel reimbursement request.**

Employee Name:		Title:	
Signature:		Date:	

## Summary of Current Texas Travel Reimbursement Guidelines

Mileage, lodging, and meal reimbursement rates published by the Texas Comptroller of Public Accounts apply to all grants funded by TEA for individuals on travel status.

### Mileage

Travelers are required to calculate mileage by one of the following two methods:

- Odometer reading (point-to-point method)
- Electronic mapping source (such as that on [www.Mapquest.com](http://www.Mapquest.com) or any other online mapping service). If this method is chosen, the traveler must print out the driving directions provided by the site and attach them to the travel voucher.

Travelers are required to select the shortest and most economical route but may justify the selection of another route if it was chosen for safety reasons and specific justification of the selection is given.

To assist employees in documenting their travel, some districts have developed mileage charts listing the distance between various duty points within the district. Such a chart should be developed in accordance with local policy and must be based on one of the two approved methods of mileage calculation (odometer reading or electronic mapping source). Travelers whose districts have developed such a chart are not required to calculate their mileage by either the odometer reading or electronic mapping source method; reference to the district's mileage chart is sufficient.

### Meals and Lodging

The following maximum meal and lodging reimbursement rates apply to in-state and out-of-state travel.

- If local policy restricts travel, per diem, and other travel expenses to a rate less than state law, the applicant must budget and request reimbursement from the grant *at the lesser rate*.
- If local policy exceeds the maximum recovery rate specified in the Appropriations Bill, then the difference must be paid from state or local funds, i.e., not from grant funds.
- *Travel allowances*, in which the per diem is paid to the employee regardless of the amount actually expended, are not allowable.

### In-State Travel

The Federal Rate Schedule is used for reimbursement of in-state meal and lodging expenditures. Because the reimbursement rates can change, it is recommended that travelers print the page at the time reservations are made and submit the printout with the travel reimbursement voucher as a supporting document.

Follow these steps to access meal and lodging reimbursement information and rates through the [Texas State Comptroller's website](#).

1. Select the "Finances & Economy" tab at the top of the home page.
2. Scroll down to the "Fiscal Management" section, and select "State of Texas Travel Information."
3. In the "Travel Rates" section, select "Domestic Maximum Per Diem Rates."
4. On the page that opens, locate the traveler's destination by clicking Texas on the US map.
5. Clicking Texas brings up a list of Texas cities and counties. Find reimbursement rates as follows:
  - If the Texas city to which you are traveling is not listed, check the county list. If the county to which you are traveling is listed, use the rate given for that county.
  - If the Texas county to which you are traveling is not listed, use the current maximum rate for lodging and for meals, as specified in the General Appropriations Act and on the Comptroller's website.

### **Non-Overnight Meals**

In accordance with local policy, an employee whose duties require the employee to travel outside the employee's designated headquarters, without an overnight stay away from the employee's headquarters, may be reimbursed for the actual cost of the employee's meals, not to exceed the maximum rate listed on the Texas State Comptroller's website.

Travel must begin at one duty point and end at another; regardless of the time of day of the travel, mileage to and from the employee's home or location other than a duty point is not allowable to be charged to the grant. In the absence of a local policy, no reimbursement shall be made from the grant for this purpose.

"Designated headquarters" is defined as the area within the boundaries of the city or town in which a traveler's place of employment is located. *Travel must take the employee outside designated headquarters for more than six consecutive hours; the cost of meals for travel lasting less than six consecutive hours is not allowable to be charged to the grant.*

### **Applying Meal Funds to Lodging Reimbursement**

For both in-state and out-of-state travel, the traveler may apply funds available for meal reimbursement (i.e., up to the rate specified in the Federal Rate Schedule) toward lodging. For instance, if the traveler chooses for the sake of convenience to stay in a hotel that costs \$10 more a night than the allowable maximum for lodging, the traveler can apply \$10 of the maximum available for meal reimbursement toward the lodging rate. If the traveler chooses to apply meal reimbursement to lodging, the maximum meal reimbursement rate is reduced by the same amount (applying \$10 of the meal reimbursement to lodging would reduce the meal reimbursement by \$10).

**NOTE:** The opposite case does not apply; that is, a traveler may *not* reduce the amount spent on lodging and increase the amount spent on meals. Under no circumstances may a traveler be reimbursed from grant funds for meals at a rate that exceeds the rate given on the Federal Rate Schedule.

### **Out-of-State Travel**

An employee who travels within or outside the continental United States shall be reimbursed for the actual cost of lodging and meals. However, the reimbursements out of grant funds may not



exceed the maximum meals and lodging rates based on federal travel regulations that are issued by the Texas Comptroller of Public Accounts. (See instructions for locating online federal meal and lodging rates given in the “In-State Travel” section, preceding.) If local policy reimburses at a *lesser* amount, you must comply with local policy. If local policy reimburses at a *greater* amount, you must pay the difference from local or state funds (not from grant funds).

**NOTE:** The opposite case does not apply; that is, a traveler may *not* reduce the amount spent on lodging and increase the amount spent on meals. Under no circumstances may a traveler be reimbursed from grant funds for meals at a rate that exceeds the rate given on the Federal Rate Schedule (or \$46, depending on whether the destination is specified in the Federal Rate Schedule).

## **Hotel Taxes**

School districts are usually exempt from Texas state sales tax on lodging but are not exempt from any city taxes or other taxes imposed for lodging. Employees may be reimbursed for applicable taxes.

## **Travel Allowances**

Travel allowances for in-state and out-of-state travel, in which the traveler receives a flat per diem for lodging and/or meals, regardless of the actual amount expended, are *not allowable* in Texas. Grantees must adhere to the guidelines stated above in lieu of a travel allowance.


## **Travel Documentation**

Travel costs must be properly documented to be reimbursable. The employee must document travel costs with a travel voucher or other comparable documentation. Auditable documentation must include the following at a minimum:

- Name of the individual claiming travel reimbursement
- Destination and purpose of the trip, including how it was necessary to accomplish the objectives of the grant project
- Dates of travel
- Actual mileage (not to exceed reimbursement at the maximum allowable rate)
- Actual amount expended on lodging per day, *with a receipt attached* (may not exceed the maximum allowable)
- Actual amount expended on meals per day (may not exceed the maximum allowable; tips and gratuities are not reimbursable)
- Actual amount expended on public transportation, such as taxis and shuttles
- Actual amount expended on a rental car, *with a receipt attached* and justification for why a rental car was necessary and how it was more cost effective than alternate transportation; receipts for any gasoline purchased for the rental car must be attached (mileage is not reimbursed for a rental car—only the cost of gasoline is reimbursed)
- Actual amount expended on incidentals, such as hotel taxes, copying of materials, and other costs associated with the travel
- Total amount reimbursed to the employee

Travel costs that are not supported by proper documentation as described above are not allowable to be charged to TEA grants and are subject to disallowance by state and federal auditors and monitors.

If you have any questions about these travel reimbursement rates that apply to all TEA grants, please submit a request through the [TEA Help Desk](#).

	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <i>DEE (LOCAL)</i>
DATE DEVELOPED: 03/26/06		
REVISED DATE: 06/25/14		
SUBJECT:    Personal vehicle mileage reimbursements (in-county)		

### **Purpose**

To provide guidelines for processing employees personal in-county vehicle mileage reimbursements.

### **Procedure**

Personal vehicle mileage reimbursements are allowed for employees who have incurred travel related expenses while conducting business on behalf of HCDE in the state of Texas and within the boundaries of Harris County. All personal mileage reimbursements should be submitted through the Travel Management System or TMS for approval unless authorized to submit in another form. Reimbursements will be paid at the current effective state mileage rate and may be adjusted accordingly. Division personnel are responsible for verifying funds are available before approving TMS transactions. Personal vehicle mileage reimbursements are requested and processed electronically through the Travel Management System (TMS) unless the employee is no longer employed with HCDE. If a termed employee submits a reimbursement for personal mileage, the supervisor must prepare and submit a payment authorization and provide all required documentation for processing payment.

### **Method of pay**

Personal vehicle mileage reimbursements are processed via direct deposit.

### **Required Documentation**

Employees are not required to submit documentation of proof for mileage, with their request for reimbursement through TMS. However, proof of insurance is required and must be submitted with the first request at the beginning of each fiscal year. Budget managers and supervisors are required to certify and approve that the travel is necessary and reasonable in accordance with state and federal guidelines. If mileage expense incurred is related to a particular case number or cause number, the employee should document that case number or cause number with the request.

***Authorized Signatures-Only the budget manager or authorized designee is allowed to approve and sign personal vehicle mileage reimbursements. Budget managers should ensure that the signature authorization form is updated at all times.***

### **Responsibility of the Employee and Budget Manager**

All travel is subject to audit; therefore, budget managers may be required to submit additional information regarding employee travels during audit reviews.

Effective September 1, 2011, all travel reimbursements paid from **General funds** must be submitted within 30 days after the last date of travel and before September 15 of each fiscal year.

Mileage reimbursement expenses incurred that are charged to Special Revenue or grant funds may be requested through TMS no later than 30 business days after the last date of travel or no later than 15 days after the end of the grant period. (For example, an employee who is paid from grant funds traveled on July 13<sup>th</sup> and returned on July 16<sup>th</sup> and the grant ends on August 30, the reimbursement should be submitted and processed (paid) no later than September 15.

Allowable Expenses

- Parking fees
- Toll road fees

Supporting documentation needed

actual receipts, signed  
actual receipts, signed

Note: Notation of case number or cause number, if grant related

**Note: Reimbursements will not be processed without the receipts.**

**What to do when Funds are unavailable (budget exceeds balance)?**

**If you were notified that your personal vehicle mileage reimbursement was not processed due to funds unavailable, follow the steps below:**

- (1) Contact your budget manager or designee;**
- (2) Initiate a budget transfer and forward to the Business Office;**
- (3) Confirm that the budget transfer was processed and ;**
- (4) Notify an Accounts Payable specialist after the budget transfer/amendment has been processed**

**Note: a payment will not be processed when there are no funds available.**

Automobile Insurance Coverage

Employees must submit a copy of their insurance at the beginning of each fiscal year with the first mileage reimbursement request. Proof of insurance is required before a mileage reimbursement request may be processed. **Employee's name must appear on the document for proof of insurance.** It is the employee's responsibility to ensure that the insurance is current.

Commute Miles

Commute mileage is the distance an employee drive from their residence and:

- (1) Their regular place of work-sometimes referred to as 'home base';
- (2) The first assignment of the day (where an employee starts work at different locations on different days of the week);
- (3) Each assignment if an employee works a split shift or
- (4) The first assignment when an employee telecommutes and their residence is the worksite.

Commute miles must be deducted on day trips. This cost is a personal commuting expense and **will not** be reimbursed-regardless of how far an employee's home is from their regular work-site.

If an employee works during his or her commute, commute mileage remains non-reimbursable. for example: Engaging in a business phone call during your commute does not change the trip from personal commute to a business commute. Employees shall comply with state law with regards to using a cell phone while driving. State law states that **using a cell phone while driving in a school zone is prohibited.**

If an employee has been directed to make a stop at a location to conduct business (pickup supplies or materials) on behalf of HCDE, those miles must be included in the total traveled miles. The employee should record mileage starting from his or her place of residence.

#### Telework Miles

Employees who have a telework agreement on file with Human Resources and are required to travel from their residence while teleworking to a meeting may have mileage reimbursed only after deducting the normal commute miles. For further information on teleworking and the telework agreement, please refer to the Teleworking Procedure located on the HCDE Portal in Human Resources procedure folder.

#### Travel Allowance

All employees receiving a travel allowance shall not submit a reimbursement request for in county mileage.

#### Processing Deadlines

Mileage reimbursement submitted through TMS are processed weekly provided that there were no TMS processing errors.

## Harris County Cities, Towns & Census Designated Places

Addicks	East Houston	Kingwood	Pelly
Aldine	East La Porte	Kinwood	Pierce Junction
Alief	El Jardin Del Mar	Klein	Piney Point Village
Allendale	El Lago	Kohrville	Red Bluff
Almeda	Eldon	La Porte	River Terrace
Almeda Plaza	Fairbanks	Lamar Terrace	Riverside Crest
Atascocita	Foster Place	Link Five	Riverside Terrace
Bammel	Galena Park	Lois	Rose Hill
Barker	Genoa	Lomax	Rosslyn
Barrett	Golden Acres	Louetta	Satsuma
Bay Oaks	Golfcrest	Lynchburg	Scenic Woods
Bayridge Park	Greens Bayou	Magnolia	Seabrook
Bayside Terrace	Harrisburg	Gardens	Settegast
Baytown	Hawthorne Place	Magnolia Park	Sheldon
Beaumont Place	Heaker	Manchester	Shoreacres
Bellaire	Heakers	Mantu	Skyscraper
Bellaire Junction	Hedwig Village	Mayfair	Shadows
Bellaire West	Hennessey	McNair	South Houston
Bordersville	Highland Heights	Melendy	Southside Place
Brookhaven	Highlands	Meyerland	Spring
Brownwood	Hilshire Village	Moonshine Hill	Spring Valley
Bunker Hill	Hockley	Morgans Point	Sunny Side
Village	Houmont Park	Mount Houston	Surf Oaks
Channelview	Houston	Mykawa	Sylvan Beach
Clear Lake City	Houston Heights	Nassau Bay	Taylor Lake Village
Clinton Park	Hudson	North Houston	Todville
Cloverleaf	Huffman	North Shadydale	Tomball
Coady	Hufsmith	North Shore	Walden Woods
Crosby	Humble	Oates Prairie	Webster
Cypress	Hunters Creek	Olcott	West University
Deco	Village	Pamela Heights	Place
Deer Park	Jacinto City	Park Place	Westfield
Dogwood Acres	Jeanetta	Pasadena	Westwood Park
Dyersdale	Jersey Village	Pecan Park	Winchester
East Haven	Katy		Wooster

January 8, 2015

TO THE ADMINISTRATOR ADDRESSED:

SUBJECT: Current Travel and Mileage Reimbursement Rates Applicable to State and Federal Grants from the Texas Education Agency

The Texas Comptroller of Public Accounts has published the travel and mileage reimbursement rates to be effective January 1, 2015, through August 31, 2015, as listed below:

- The automobile mileage reimbursement rate is 57.5 cents per mile.
- The lodging reimbursement rate is up to \$85 a night for in-state travel to areas not listed on the [federal per diem rate map](#).
- The lodging reimbursement rate is up to \$83 a night for out-of-state travel to areas not listed on the [federal per diem rate map](#).
- The meal reimbursement rate for overnight travel is up to \$46 per day.
- The meal reimbursement rate for non-overnight travel is up to \$36.

The mileage, lodging, and meal reimbursement rates published by the comptroller apply to all grants funded by the Texas Education Agency for individuals on travel status.

For more detailed information regarding allowable travel expenses, consult the [Texas State Comptroller's website](#). Follow these steps to locate information on the comptroller's site regarding per diem rates for lodging and meals for specific cities or counties:

1. Select the "Finances & Economy" tab at the top of the home page.
2. Scroll down to the "Fiscal Management" section, and select "State of Texas Travel Information."
3. In the "Resources" section, select the "Textravel" logo.
4. Select either the Meals and Lodging or the Transportation tab.
5. In the "Rates" section in the right column, select "Current Rates."

See the [attached guidelines](#) for more travel information. If you have any further questions, please submit a request to the [TEA Help Desk](#).

Sincerely,

Cory Green, Chief Grants Administrator  
Division of Grants Administration

# **FY2019 Per Diem Rates - Effective October 1, 2018**

STATE	DESTINATION	COUNTY/LOCATION DEFINED	SEASON BEGIN
	<b>Standard CONUS rate applies to all counties not specifically listed. Cities not listed may be located in a listed county.</b>		
AL	Birmingham	Jefferson	
AL	Gulf Shores	Baldwin	October 1
AL	Gulf Shores	Baldwin	March 1
AL	Gulf Shores	Baldwin	June 1
AL	Gulf Shores	Baldwin	August 1
AL	Mobile	Mobile	October 1
AL	Mobile	Mobile	January 1
AL	Mobile	Mobile	March 1
AR	Hot Springs	Garland	
AZ	Grand Canyon / Flagstaff	Coconino / Yavapai less the city of Sedona	October 1
AZ	Grand Canyon / Flagstaff	Coconino / Yavapai less the city of Sedona	November 1
AZ	Grand Canyon / Flagstaff	Coconino / Yavapai less the city of Sedona	March 1
AZ	Grand Canyon / Flagstaff	Coconino / Yavapai less the city of Sedona	May 1
AZ	Kayenta	Navajo	October 1
AZ	Kayenta	Navajo	November 1
AZ	Kayenta	Navajo	March 1
AZ	Phoenix / Scottsdale	Maricopa	October 1
AZ	Phoenix / Scottsdale	Maricopa	January 1
AZ	Phoenix / Scottsdale	Maricopa	April 1
AZ	Phoenix / Scottsdale	Maricopa	June 1
AZ	Phoenix / Scottsdale	Maricopa	September 1
AZ	Sedona	City Limits of Sedona	October 1
AZ	Sedona	City Limits of Sedona	March 1
AZ	Sedona	City Limits of Sedona	September 1
AZ	Tucson	Pima	October 1
AZ	Tucson	Pima	January 1
AZ	Tucson	Pima	March 1
CA	Antioch / Brentwood / Concord	Contra Costa	
CA	Bakersfield / Ridgecrest	Kern	
CA	Barstow / Ontario / Victorville	San Bernardino	
CA	Death Valley	Inyo	
CA	Eureka / Arcata / McKinleyville	Humboldt	October 1
CA	Eureka / Arcata / McKinleyville	Humboldt	June 1
CA	Eureka / Arcata / McKinleyville	Humboldt	September 1
CA	Fresno	Fresno	
CA	Los Angeles	Los Angeles / Orange / Ventura / Edwards AFB less the city of Santa Monica	October 1
CA	Los Angeles	Los Angeles / Orange / Ventura / Edwards AFB less the city of Santa Monica	November 1
CA	Los Angeles	Los Angeles / Orange / Ventura / Edwards AFB less the city of Santa Monica	January 1



CA	Mammoth Lakes	Mono	October 1
CA	Mammoth Lakes	Mono	December 1
CA	Mammoth Lakes	Mono	July 1
CA	Mammoth Lakes	Mono	September 1
CA	Mill Valley / San Rafael / Novato	Marin	
CA	Monterey	Monterey	October 1
CA	Monterey	Monterey	July 1
CA	Monterey	Monterey	September 1
CA	Napa	Napa	October 1
CA	Napa	Napa	November 1
CA	Napa	Napa	May 1
CA	Oakhurst	Madera	October 1
CA	Oakhurst	Madera	June 1
CA	Oakhurst	Madera	September 1
CA	Oakland	Alameda	
CA	Palm Springs	Riverside	October 1
CA	Palm Springs	Riverside	May 1
CA	Point Arena / Gualala	Mendocino	
CA	Sacramento	Sacramento	
CA	San Diego	San Diego	October 1
CA	San Diego	San Diego	January 1
CA	San Diego	San Diego	August 1
CA	San Francisco	San Francisco	October 1
CA	San Francisco	San Francisco	November 1
CA	San Francisco	San Francisco	January 1
CA	San Francisco	San Francisco	September 1
CA	San Luis Obispo	San Luis Obispo	
CA	San Mateo / Foster City / Belmont	San Mateo	October 1
CA	San Mateo / Foster City / Belmont	San Mateo	November 1
CA	San Mateo / Foster City / Belmont	San Mateo	January 1
CA	Santa Barbara	Santa Barbara	October 1
CA	Santa Barbara	Santa Barbara	July 1
CA	Santa Barbara	Santa Barbara	September 1
CA	Santa Cruz	Santa Cruz	October 1
CA	Santa Cruz	Santa Cruz	June 1
CA	Santa Cruz	Santa Cruz	September 1
CA	Santa Monica	City limits of Santa Monica	October 1
CA	Santa Monica	City limits of Santa Monica	July 1
CA	Santa Monica	City limits of Santa Monica	September 1
CA	Santa Rosa	Sonoma	
CA	South Lake Tahoe	El Dorado	October 1
CA	South Lake Tahoe	El Dorado	December 1
CA	South Lake Tahoe	El Dorado	July 1
CA	South Lake Tahoe	El Dorado	September 1
CA	Stockton	San Joaquin	
CA	Sunnyvale / Palo Alto / San Jose	Santa Clara	October 1
CA	Sunnyvale / Palo Alto / San Jose	Santa Clara	January 1
CA	Sunnyvale / Palo Alto / San Jose	Santa Clara	April 1
CA	Tahoe City	Placer	
CA	Truckee	Nevada	
CA	Visalia	Tulare	
CA	West Sacramento / Davis	Yolo	
CA	Yosemite National Park	Mariposa	October 1
CA	Yosemite National Park	Mariposa	June 1
CA	Yosemite National Park	Mariposa	September 1



CO	Aspen	Pitkin	October 1
CO	Aspen	Pitkin	December 1
CO	Aspen	Pitkin	April 1
CO	Aspen	Pitkin	June 1
CO	Boulder / Broomfield	Boulder / Broomfield	October 1
CO	Boulder / Broomfield	Boulder / Broomfield	May 1
CO	Boulder / Broomfield	Boulder / Broomfield	September 1
CO	Colorado Springs	El Paso	October 1
CO	Colorado Springs	El Paso	June 1
CO	Colorado Springs	El Paso	September 1
CO	Cortez	Montezuma	October 1
CO	Cortez	Montezuma	June 1
CO	Crested Butte / Gunnison	Gunnison	October 1
CO	Crested Butte / Gunnison	Gunnison	December 1
CO	Crested Butte / Gunnison	Gunnison	April 1
CO	Crested Butte / Gunnison	Gunnison	June 1
CO	Denver / Aurora	Denver / Adams / Arapahoe / Jefferson	
CO	Douglas	Douglas	
CO	Durango	La Plata	October 1
CO	Durango	La Plata	June 1
CO	Fort Collins / Loveland	Larimer	
CO	Grand Lake	Grand	October 1
CO	Grand Lake	Grand	December 1
CO	Grand Lake	Grand	April 1
CO	Grand Lake	Grand	June 1
CO	Montrose	Montrose	
CO	Silverthorne / Breckenridge	Summit	October 1
CO	Silverthorne / Breckenridge	Summit	December 1
CO	Silverthorne / Breckenridge	Summit	April 1
CO	Silverthorne / Breckenridge	Summit	June 1
CO	Steamboat Springs	Routt	October 1
CO	Steamboat Springs	Routt	December 1
CO	Steamboat Springs	Routt	April 1
CO	Steamboat Springs	Routt	June 1
CO	Steamboat Springs	Routt	September 1
CO	Telluride	San Miguel	October 1
CO	Telluride	San Miguel	January 1
CO	Telluride	San Miguel	April 1
CO	Vail	Eagle	October 1
CO	Vail	Eagle	December 1
CO	Vail	Eagle	April 1
CO	Vail	Eagle	July 1
CO	Vail	Eagle	September 1
CT	Bridgeport / Danbury	Fairfield	
CT	Cromwell / Old Saybrook	Middlesex	
CT	Hartford	Hartford	
CT	New Haven	New Haven	
CT	New London / Groton	New London	
DC	District of Columbia	Washington DC (also the cities of Alexandria, Falls Church and Fairfax, and the counties of Arlington and Fairfax, in Virginia; and the counties of Montgomery and Prince George's in Maryland)	October 1

DC	District of Columbia	Washington DC (also the cities of Alexandria, Falls Church and Fairfax, and the counties of Arlington and Fairfax, in Virginia; and the counties of Montgomery and Prince George's in Maryland)	November 1
DC	District of Columbia	Washington DC (also the cities of Alexandria, Falls Church and Fairfax, and the counties of Arlington and Fairfax, in Virginia; and the counties of Montgomery and Prince George's in Maryland)	March 1
DC	District of Columbia	Washington DC (also the cities of Alexandria, Falls Church and Fairfax, and the counties of Arlington and Fairfax, in Virginia; and the counties of Montgomery and Prince George's in Maryland)	July 1
DC	District of Columbia	Washington DC (also the cities of Alexandria, Falls Church and Fairfax, and the counties of Arlington and Fairfax, in Virginia; and the counties of Montgomery and Prince George's in Maryland)	September 1
DE	Dover	Kent	October 1
DE	Dover	Kent	June 1
DE	Dover	Kent	August 1
DE	Lewes	Sussex	October 1
DE	Lewes	Sussex	May 1
DE	Lewes	Sussex	July 1
DE	Lewes	Sussex	September 1
DE	Wilmington	New Castle	
FL	Boca Raton / Delray Beach / Jupiter	Palm Beach / Hendry	October 1
FL	Boca Raton / Delray Beach / Jupiter	Palm Beach / Hendry	December 1
FL	Boca Raton / Delray Beach / Jupiter	Palm Beach / Hendry	May 1
FL	Bradenton	Manatee	October 1
FL	Bradenton	Manatee	February 1
FL	Bradenton	Manatee	April 1
FL	Cocoa Beach	Brevard	October 1
FL	Cocoa Beach	Brevard	February 1
FL	Cocoa Beach	Brevard	April 1
FL	Daytona Beach	Volusia	October 1
FL	Daytona Beach	Volusia	February 1
FL	Daytona Beach	Volusia	April 1
FL	Daytona Beach	Volusia	August 1
FL	Fort Lauderdale	Broward	October 1
FL	Fort Lauderdale	Broward	January 1
FL	Fort Lauderdale	Broward	May 1
FL	Fort Myers	Lee	October 1
FL	Fort Myers	Lee	February 1
FL	Fort Myers	Lee	April 1

FL	Fort Walton Beach / De Funiak Springs	Okaloosa / Walton	October 1
FL	Fort Walton Beach / De Funiak Springs	Okaloosa / Walton	November 1
FL	Fort Walton Beach / De Funiak Springs	Okaloosa / Walton	March 1
FL	Fort Walton Beach / De Funiak Springs	Okaloosa / Walton	June 1
FL	Fort Walton Beach / De Funiak Springs	Okaloosa / Walton	August 1
FL	Gainesville	Alachua	
FL	Gulf Breeze	Santa Rosa	October 1
FL	Gulf Breeze	Santa Rosa	March 1
FL	Gulf Breeze	Santa Rosa	June 1
FL	Gulf Breeze	Santa Rosa	August 1
FL	Key West	Monroe	October 1
FL	Key West	Monroe	December 1
FL	Key West	Monroe	February 1
FL	Key West	Monroe	May 1
FL	Miami	Miami-Dade	October 1
FL	Miami	Miami-Dade	December 1
FL	Miami	Miami-Dade	April 1
FL	Miami	Miami-Dade	June 1
FL	Naples	Collier	October 1
FL	Naples	Collier	December 1
FL	Naples	Collier	February 1
FL	Naples	Collier	May 1
FL	Orlando	Orange	October 1
FL	Orlando	Orange	January 1
FL	Orlando	Orange	April 1
FL	Panama City	Bay	October 1
FL	Panama City	Bay	March 1
FL	Panama City	Bay	June 1
FL	Panama City	Bay	September 1
FL	Pensacola	Escambia	October 1
FL	Pensacola	Escambia	March 1
FL	Pensacola	Escambia	June 1
FL	Pensacola	Escambia	August 1
FL	Punta Gorda	Charlotte	October 1
FL	Punta Gorda	Charlotte	February 1
FL	Punta Gorda	Charlotte	April 1
FL	Sarasota	Sarasota	October 1
FL	Sarasota	Sarasota	December 1
FL	Sarasota	Sarasota	May 1
FL	Sebring	Highlands	
FL	St. Augustine	St. Johns	
FL	Stuart	Martin	October 1
FL	Stuart	Martin	May 1
FL	Stuart	Martin	July 1
FL	Tallahassee	Leon	October 1
FL	Tallahassee	Leon	January 1
FL	Tallahassee	Leon	May 1
FL	Tampa / St. Petersburg	Pinellas / Hillsborough	October 1
FL	Tampa / St. Petersburg	Pinellas / Hillsborough	January 1
FL	Tampa / St. Petersburg	Pinellas / Hillsborough	May 1

FL	Vero Beach	Indian River	October 1
FL	Vero Beach	Indian River	December 1
FL	Vero Beach	Indian River	May 1
GA	Athens	Clarke	
GA	Atlanta	Fulton / Dekalb	October 1
GA	Atlanta	Fulton / Dekalb	November 1
GA	Atlanta	Fulton / Dekalb	September 1
GA	Augusta	Richmond	
GA	Jekyll Island / Brunswick	Glynn	October 1
GA	Jekyll Island / Brunswick	Glynn	March 1
GA	Jekyll Island / Brunswick	Glynn	August 1
GA	Marietta	Cobb	
GA	Savannah	Chatham	October 1
GA	Savannah	Chatham	March 1
GA	Savannah	Chatham	May 1
IA	Dallas	Dallas	
IA	Des Moines	Polk	
ID	Coeur d'Alene	Kootenai	October 1
ID	Coeur d'Alene	Kootenai	June 1
ID	Coeur d'Alene	Kootenai	September 1
ID	Sun Valley / Ketchum	Blaine / Elmore	October 1
ID	Sun Valley / Ketchum	Blaine / Elmore	June 1
ID	Sun Valley / Ketchum	Blaine / Elmore	September 1
IL	Bolingbrook / Romeoville / Lemont	Will	
IL	Chicago	Cook / Lake	October 1
IL	Chicago	Cook / Lake	December 1
IL	Chicago	Cook / Lake	April 1
IL	Chicago	Cook / Lake	July 1
IL	Chicago	Cook / Lake	September 1
IL	East St. Louis / O'Fallon / Fairview Heights	St. Clair	
IL	Oak Brook Terrace	Dupage	
IN	Bloomington	Monroe	October 1
IN	Bloomington	Monroe	May 1
IN	Bloomington	Monroe	September 1
IN	Ft. Wayne	Allen	
IN	Hammond / Munster / Merrillville	Lake	
IN	Indianapolis / Carmel	Marion / Hamilton	
IN	Lafayette / West Lafayette	Tiptecanoe	
IN	South Bend	St. Joseph	
KS	Kansas City / Overland Park	Wyandotte / Johnson / Leavenworth	
KS	Wichita	Sedgwick	
KY	Boone	Boone	
KY	Kenton	Kenton	
KY	Lexington	Fayette	October 1
KY	Lexington	Fayette	November 1
KY	Lexington	Fayette	April 1
KY	Louisville	Jefferson	October 1
KY	Louisville	Jefferson	February 1
KY	Louisville	Jefferson	June 1
LA	Alexandria / Leesville / Natchitoches	Allen / Jefferson Davis / Natchitoches / Rapides / Vernon Parishes	
LA	Baton Rouge	East Baton Rouge Parish	
LA	New Orleans	Orleans / Jefferson Parishes	October 1

LA	New Orleans	Orleans / Jefferson Parishes	February 1
LA	New Orleans	Orleans / Jefferson Parishes	July 1
MA	Andover	Essex	October 1
MA	Andover	Essex	November 1
MA	Andover	Essex	May 1
MA	Boston / Cambridge	Suffolk, city of Cambridge	October 1
MA	Boston / Cambridge	Suffolk, city of Cambridge	December 1
MA	Boston / Cambridge	Suffolk, city of Cambridge	March 1
MA	Burlington / Woburn	Middlesex less the city of Cambridge	October 1
MA	Burlington / Woburn	Middlesex less the city of Cambridge	November 1
MA	Burlington / Woburn	Middlesex less the city of Cambridge	March 1
MA	Falmouth	City limits of Falmouth	October 1
MA	Falmouth	City limits of Falmouth	May 1
MA	Falmouth	City limits of Falmouth	July 1
MA	Falmouth	City limits of Falmouth	September 1
MA	Hyannis	Barnstable less the city of Falmouth	October 1
MA	Hyannis	Barnstable less the city of Falmouth	July 1
MA	Hyannis	Barnstable less the city of Falmouth	September 1
MA	Martha's Vineyard	Dukes	October 1
MA	Martha's Vineyard	Dukes	June 1
MA	Nantucket	Nantucket	October 1
MA	Nantucket	Nantucket	June 1
MA	Northampton	Hampshire	
MA	Pittsfield	Berkshire	October 1
MA	Pittsfield	Berkshire	June 1
MA	Pittsfield	Berkshire	September 1
MA	Plymouth / Taunton / New Bedford	Plymouth / Bristol	
MA	Quincy	Norfolk	October 1
MA	Quincy	Norfolk	November 1
MA	Quincy	Norfolk	May 1
MA	Springfield	Hampden	
MA	Worcester	Worcester	
MD	Aberdeen / Bel Air / Belcamp	Harford	
MD	Annapolis	Anne Arundel	October 1
MD	Annapolis	Anne Arundel	November 1
MD	Annapolis	Anne Arundel	May 1
MD	Baltimore City	Baltimore City	October 1
MD	Baltimore City	Baltimore City	December 1
MD	Baltimore City	Baltimore City	March 1
MD	Baltimore City	Baltimore City	September 1
MD	Baltimore County	Baltimore	
MD	Cambridge / St. Michaels	Dorchester / Talbot	October 1
MD	Cambridge / St. Michaels	Dorchester / Talbot	June 1
MD	Cambridge / St. Michaels	Dorchester / Talbot	September 1
MD	Centreville	Queen Anne	
MD	Columbia	Howard	
MD	Frederick	Frederick	
MD	Ocean City	Worcester	October 1
MD	Ocean City	Worcester	July 1

MD	Ocean City	Worcester	September 1
ME	Bar Harbor / Rockport	Hancock / Knox	October 1
ME	Bar Harbor / Rockport	Hancock / Knox	November 1
ME	Bar Harbor / Rockport	Hancock / Knox	July 1
ME	Bar Harbor / Rockport	Hancock / Knox	September 1
ME	Kennebunk / Kittery / Sanford	York	October 1
ME	Kennebunk / Kittery / Sanford	York	November 1
ME	Kennebunk / Kittery / Sanford	York	July 1
ME	Kennebunk / Kittery / Sanford	York	September 1
ME	Portland	Cumberland / Sagadahoc	October 1
ME	Portland	Cumberland / Sagadahoc	November 1
ME	Portland	Cumberland / Sagadahoc	July 1
ME	Portland	Cumberland / Sagadahoc	September 1
MI	Ann Arbor	Washtenaw	
MI	Benton Harbor / St. Joseph / Stevensville	Berrien	October 1
MI	Benton Harbor / St. Joseph / Stevensville	Berrien	July 1
MI	Benton Harbor / St. Joseph / Stevensville	Berrien	September 1
MI	Detroit	Wayne	
MI	East Lansing / Lansing	Ingham / Eaton	
MI	Grand Rapids	Kent	
MI	Holland	Ottawa	October 1
MI	Holland	Ottawa	May 1
MI	Holland	Ottawa	September 1
MI	Kalamazoo / Battle Creek	Kalamazoo / Calhoun	
MI	Mackinac Island	Mackinac	October 1
MI	Mackinac Island	Mackinac	July 1
MI	Mackinac Island	Mackinac	September 1
MI	Midland	Midland	
MI	Muskegon	Muskegon	October 1
MI	Muskegon	Muskegon	June 1
MI	Muskegon	Muskegon	September 1
MI	Petoskey	Emmet	October 1
MI	Petoskey	Emmet	July 1
MI	Petoskey	Emmet	September 1
MI	Pontiac / Auburn Hills	Oakland	
MI	South Haven	Van Buren	October 1
MI	South Haven	Van Buren	June 1
MI	South Haven	Van Buren	September 1
MI	Traverse City	Grand Traverse	October 1
MI	Traverse City	Grand Traverse	July 1
MI	Traverse City	Grand Traverse	September 1
MN	Duluth	St. Louis	October 1
MN	Duluth	St. Louis	November 1
MN	Duluth	St. Louis	June 1
MN	Duluth	St. Louis	September 1
MN	Eagan / Burnsville / Mendota Heights	Dakota	
MN	Minneapolis / St. Paul	Hennepin / Ramsey	October 1
MN	Minneapolis / St. Paul	Hennepin / Ramsey	November 1
MN	Minneapolis / St. Paul	Hennepin / Ramsey	April 1
MN	Rochester	Olmsted	
MO	Kansas City	Jackson / Clay / Cass / Platte	

MO	St. Louis	St. Louis / St. Louis City / St. Charles	
MS	Oxford	Lafayette	
MS	Southaven	Desoto	
MS	Starkville	Oktibbeha	
MT	Big Sky / West Yellowstone	Gallatin	October 1
MT	Big Sky / West Yellowstone	Gallatin	June 1
MT	Helena	Lewis and Clark	
MT	Missoula / Polson / Kalispell	Missoula / Lake / Flathead	October 1
MT	Missoula / Polson / Kalispell	Missoula / Lake / Flathead	July 1
MT	Missoula / Polson / Kalispell	Missoula / Lake / Flathead	September 1
NC	Asheville	Buncombe	October 1
NC	Asheville	Buncombe	November 1
NC	Asheville	Buncombe	January 1
NC	Asheville	Buncombe	April 1
NC	Atlantic Beach / Morehead City	Carteret	October 1
NC	Atlantic Beach / Morehead City	Carteret	June 1
NC	Atlantic Beach / Morehead City	Carteret	September 1
NC	Chapel Hill	Orange	
NC	Charlotte	Mecklenburg	
NC	Durham	Durham	
NC	Fayetteville	Cumberland	
NC	Greensboro	Guilford	October 1
NC	Greensboro	Guilford	November 1
NC	Greensboro	Guilford	April 1
NC	Kill Devil Hills	Dare	October 1
NC	Kill Devil Hills	Dare	April 1
NC	Raleigh	Wake	
NC	Wilmington	New Hanover	
NE	Omaha	Douglas	
NH	Concord	Merrimack	
NH	Conway	Caroll	October 1
NH	Conway	Caroll	March 1
NH	Conway	Caroll	July 1
NH	Conway	Caroll	September 1
NH	Durham	Strafford	October 1
NH	Durham	Strafford	June 1
NH	Durham	Strafford	September 1
NH	Laconia	Belknap	October 1
NH	Laconia	Belknap	November 1
NH	Laconia	Belknap	June 1
NH	Lebanon / Lincoln / West Lebanon	Grafton	
NH	Manchester	Hillsborough	
NH	Portsmouth	Rockingham	October 1
NH	Portsmouth	Rockingham	November 1
NH	Portsmouth	Rockingham	July 1
NH	Portsmouth	Rockingham	September 1
NJ	Atlantic City / Ocean City / Cape May	Atlantic / Cape May	October 1
NJ	Atlantic City / Ocean City / Cape May	Atlantic / Cape May	July 1
NJ	Atlantic City / Ocean City / Cape May	Atlantic / Cape May	September 1
NJ	Cherry Hill / Moorestown	Camden / Burlington	
NJ	Eatontown / Freehold	Monmouth	

NJ	Edison / Piscataway	Middlesex	
NJ	Flemington	Hunterdon	
NJ	Newark	Essex / Bergen / Hudson / Passaic	
NJ	Parsippany	Morris	
NJ	Princeton / Trenton	Mercer	
NJ	Somerset	Somerset	
NJ	Springfield / Cranford / New Providence	Union	
NJ	Toms River	Ocean	
NM	Carlsbad	Eddy	
NM	Santa Fe	Santa Fe	October 1
NM	Santa Fe	Santa Fe	January 1
NM	Santa Fe	Santa Fe	March 1
NM	Taos	Taos	
NV	Incline Village / Reno / Sparks	Washoe	October 1
NV	Incline Village / Reno / Sparks	Washoe	July 1
NV	Incline Village / Reno / Sparks	Washoe	September 1
NV	Las Vegas	Clark	October 1
NV	Las Vegas	Clark	January 1
NV	Las Vegas	Clark	April 1
NV	Las Vegas	Clark	September 1
NY	Albany	Albany	
NY	Binghamton	Broome	
NY	Buffalo	Erie	
NY	Floral Park / Garden City / Great Neck	Nassau	
NY	Glens Falls	Warren	October 1
NY	Glens Falls	Warren	July 1
NY	Glens Falls	Warren	September 1
NY	Ithaca	Tompkins	
NY	Kingston	Ulster	
NY	Lake Placid	Essex	October 1
NY	Lake Placid	Essex	March 1
NY	Lake Placid	Essex	July 1
NY	Lake Placid	Essex	September 1
NY	New York City	Bronx / Kings / New York / Queens / Richmond	October 1
NY	New York City	Bronx / Kings / New York / Queens / Richmond	January 1
NY	New York City	Bronx / Kings / New York / Queens / Richmond	March 1
NY	New York City	Bronx / Kings / New York / Queens / Richmond	July 1
NY	New York City	Bronx / Kings / New York / Queens / Richmond	September 1
NY	Niagara Falls	Niagara	October 1
NY	Niagara Falls	Niagara	July 1
NY	Niagara Falls	Niagara	September 1
NY	Nyack / Palisades	Rockland	
NY	Poughkeepsie	Dutchess	
NY	Riverhead / Ronkonkoma / Melville	Suffolk	
NY	Rochester	Monroe	
NY	Saratoga Springs / Schenectady	Saratoga / Schenectady	October 1
NY	Saratoga Springs / Schenectady	Saratoga / Schenectady	July 1
NY	Saratoga Springs / Schenectady	Saratoga / Schenectady	September 1



NY	Syracuse / Oswego	Onondaga / Oswego	
NY	Tarrytown / White Plains / New Rochelle	Westchester	
NY	Troy	Rensselaer	
NY	West Point	Orange	
OH	Akron	Summit	
OH	Canton	Stark	October 1
OH	Canton	Stark	July 1
OH	Canton	Stark	September 1
OH	Cincinnati	Hamilton / Clermont	
OH	Cleveland	Cuyahoga	
OH	Columbus	Franklin	
OH	Dayton / Fairborn	Greene / Montgomery	
OH	Hamilton	Butler / Warren	
OH	Medina / Wooster	Wayne / Medina	
OH	Mentor	Lake	
OH	Sandusky	Erie	October 1
OH	Sandusky	Erie	June 1
OH	Sandusky	Erie	September 1
OK	Oklahoma City	Oklahoma	
OR	Beaverton	Washington	
OR	Bend	Deschutes	October 1
OR	Bend	Deschutes	June 1
OR	Bend	Deschutes	September 1
OR	Clackamas	Clackamas	
OR	Eugene / Florence	Lane	
OR	Lincoln City	Lincoln	October 1
OR	Lincoln City	Lincoln	July 1
OR	Lincoln City	Lincoln	September 1
OR	Portland	Multnomah	October 1
OR	Portland	Multnomah	November 1
OR	Portland	Multnomah	April 1
OR	Seaside	Clatsop	October 1
OR	Seaside	Clatsop	July 1
OR	Seaside	Clatsop	September 1
PA	Allentown / Easton / Bethlehem	Lehigh / Northampton	
PA	Bucks	Bucks	
PA	Chester / Radnor / Essington	Delaware	
PA	Erie	Erie	
PA	Gettysburg	Adams	October 1
PA	Gettysburg	Adams	November 1
PA	Gettysburg	Adams	April 1
PA	Harrisburg	Dauphin County excluding Hershey	
PA	Hershey	Hershey	October 1
PA	Hershey	Hershey	November 1
PA	Hershey	Hershey	June 1
PA	Hershey	Hershey	September 1
PA	Lancaster	Lancaster	
PA	Malvern / Frazer / Berwyn	Chester	
PA	Montgomery	Montgomery	
PA	Philadelphia	Philadelphia	October 1
PA	Philadelphia	Philadelphia	December 1
PA	Philadelphia	Philadelphia	April 1
PA	Philadelphia	Philadelphia	September 1
PA	Pittsburgh	Allegheny	

PA	Reading	Berks	
PA	State College	Centre	
RI	East Greenwich / Warwick	Kent	
RI	Jamestown / Middletown / Newport	Newport	October 1
RI	Jamestown / Middletown / Newport	Newport	November 1
RI	Jamestown / Middletown / Newport	Newport	June 1
RI	Jamestown / Middletown / Newport	Newport	September 1
RI	Providence / Bristol	Providence / Bristol	
SC	Aiken	Aiken	
SC	Charleston	Charleston / Berkeley / Dorchester	October 1
SC	Charleston	Charleston / Berkeley / Dorchester	November 1
SC	Charleston	Charleston / Berkeley / Dorchester	March 1
SC	Charleston	Charleston / Berkeley / Dorchester	June 1
SC	Charleston	Charleston / Berkeley / Dorchester	September 1
SC	Columbia	Richland / Lexington	
SC	Hilton Head	Beaufort	October 1
SC	Hilton Head	Beaufort	April 1
SC	Hilton Head	Beaufort	September 1
SC	Myrtle Beach	Horry	October 1
SC	Myrtle Beach	Horry	March 1
SC	Myrtle Beach	Horry	June 1
SC	Myrtle Beach	Horry	September 1
SD	Deadwood / Spearfish	Lawrence	October 1
SD	Deadwood / Spearfish	Lawrence	June 1
SD	Hot Springs	Fall River / Custer	October 1
SD	Hot Springs	Fall River / Custer	November 1
SD	Hot Springs	Fall River / Custer	April 1
SD	Rapid City	Pennington	October 1
SD	Rapid City	Pennington	July 1
SD	Rapid City	Pennington	September 1
TN	Brentwood / Franklin	Williamson	
TN	Chattanooga	Hamilton	
TN	Knoxville	Knox	
TN	Memphis	Shelby	
TN	Nashville	Davidson	October 1
TN	Nashville	Davidson	July 1
TX	Arlington / Fort Worth / Grapevine	Tarrant County / City of Grapevine	
TX	Austin	Travis	October 1
TX	Austin	Travis	January 1
TX	Austin	Travis	April 1
TX	Big Spring	Howard	
TX	College Station	Brazos	
TX	Corpus Christi	Nueces	
TX	Dallas	Dallas	October 1
TX	Dallas	Dallas	December 1
TX	Dallas	Dallas	September 1
TX	El Paso	El Paso	
TX	Galveston	Galveston	October 1
TX	Galveston	Galveston	June 1
TX	Galveston	Galveston	August 1
TX	Houston (L.B. Johnson Space Center)	Montgomery / Fort Bend / Harris	October 1
TX	Houston (L.B. Johnson Space Center)	Montgomery / Fort Bend / Harris	June 1
TX	Midland / Odessa	Midland / Andrews / Ector / Martin	

TX	Pecos	Reeves	October 1
TX	Pecos	Reeves	January 1
TX	Pecos	Reeves	April 1
TX	Plano	Collin	
TX	Round Rock	Williamson	
TX	San Antonio	Bexar	
TX	South Padre Island	Cameron	October 1
TX	South Padre Island	Cameron	March 1
TX	South Padre Island	Cameron	June 1
TX	South Padre Island	Cameron	August 1
TX	Waco	McLennan	
UT	Moab	Grand	October 1
UT	Moab	Grand	November 1
UT	Moab	Grand	March 1
UT	Park City	Summit	October 1
UT	Park City	Summit	December 1
UT	Park City	Summit	April 1
UT	Provo	Utah	
UT	Salt Lake City	Salt Lake / Tooele	
VA	Abingdon	Washington	
VA	Blacksburg	Montgomery	October 1
VA	Blacksburg	Montgomery	July 1
VA	Charlottesville	City of Charlottesville / Albemarle	
VA	Loudoun	Loudoun	
VA	Lynchburg	Campbell / Lynchburg City	
VA	Richmond	City of Richmond	
VA	Roanoke	City limits of Roanoke	
VA	Virginia Beach	City of Virginia Beach	October 1
VA	Virginia Beach	City of Virginia Beach	June 1
VA	Virginia Beach	City of Virginia Beach	September 1
VA	Wallops Island	Accomack	October 1
VA	Wallops Island	Accomack	July 1
VA	Wallops Island	Accomack	September 1
VA	Williamsburg / York	James City / York Counties / City of Williamsburg	October 1
VA	Williamsburg / York	James City / York Counties / City of Williamsburg	January 1
VA	Williamsburg / York	James City / York Counties / City of Williamsburg	March 1
VA	Williamsburg / York	James City / York Counties / City of Williamsburg	September 1
VT	Burlington	Chittenden	October 1
VT	Burlington	Chittenden	November 1
VT	Burlington	Chittenden	May 1
VT	Manchester	Bennington	October 1
VT	Manchester	Bennington	November 1
VT	Manchester	Bennington	August 1
VT	Montpelier	Washington	
VT	Stowe	Lamoille	
VT	White River Junction	Windsor	October 1
VT	White River Junction	Windsor	November 1
VT	White River Junction	Windsor	June 1
WA	Everett / Lynnwood	Snohomish	October 1
WA	Everett / Lynnwood	Snohomish	June 1
WA	Everett / Lynnwood	Snohomish	September 1

WA	Ocean Shores	Grays Harbor	October 1
WA	Ocean Shores	Grays Harbor	July 1
WA	Ocean Shores	Grays Harbor	September 1
WA	Olympia / Tumwater	Thurston	
WA	Port Angeles / Port Townsend	Clallam / Jefferson	October 1
WA	Port Angeles / Port Townsend	Clallam / Jefferson	July 1
WA	Port Angeles / Port Townsend	Clallam / Jefferson	September 1
WA	Richland / Pasco	Benton / Franklin	
WA	Seattle	King	October 1
WA	Seattle	King	June 1
WA	Spokane	Spokane	
WA	Tacoma	Pierce	
WA	Vancouver	Clark / Cowlitz / Skamania	October 1
WA	Vancouver	Clark / Cowlitz / Skamania	November 1
WA	Vancouver	Clark / Cowlitz / Skamania	April 1
WI	Appleton	Outagamie	
WI	Brookfield / Racine	Waukesha / Racine	
WI	Madison	Dane	October 1
WI	Madison	Dane	November 1
WI	Madison	Dane	April 1
WI	Milwaukee	Milwaukee	
WI	Sheboygan	Sheboygan	October 1
WI	Sheboygan	Sheboygan	June 1
WI	Sheboygan	Sheboygan	September 1
WI	Sturgeon Bay	Door	October 1
WI	Sturgeon Bay	Door	November 1
WI	Sturgeon Bay	Door	June 1
WI	Wisconsin Dells	Columbia	October 1
WI	Wisconsin Dells	Columbia	March 1
WI	Wisconsin Dells	Columbia	September 1
WV	Charleston	Kanawha	
WV	Morgantown	Monongalia	
WY	Cody	Park	October 1
WY	Cody	Park	June 1
WY	Jackson / Pinedale	Teton / Sublette	October 1
WY	Jackson / Pinedale	Teton / Sublette	July 1
WY	Jackson / Pinedale	Teton / Sublette	September 1
WY	Rock Springs	Sweetwater	

SEASON END	FY19 Lodging Rate	FY19 M&IE Rate
	\$ 94	\$ 55
	\$ 107	\$ 56
February 28	\$ 105	\$ 61
May 31	\$ 126	\$ 61
July 31	\$ 165	\$ 61
September 30	\$ 105	\$ 61
December 31	\$ 94	\$ 61
February 28	\$ 107	\$ 61
September 30	\$ 94	\$ 61
	\$ 105	\$ 61
October 31	\$ 146	\$ 66
February 28	\$ 94	\$ 66
April 30	\$ 119	\$ 66
September 30	\$ 146	\$ 66
October 31	\$ 131	\$ 66
February 28	\$ 105	\$ 66
September 30	\$ 131	\$ 66
December 31	\$ 121	\$ 56
March 31	\$ 172	\$ 56
May 31	\$ 133	\$ 56
August 31	\$ 94	\$ 56
September 30	\$ 121	\$ 56
February 28	\$ 166	\$ 76
August 31	\$ 178	\$ 76
September 30	\$ 166	\$ 76
December 31	\$ 94	\$ 61
February 28	\$ 119	\$ 61
September 30	\$ 94	\$ 61
	\$ 158	\$ 66
	\$ 105	\$ 61
	\$ 102	\$ 61
	\$ 118	\$ 66
May 31	\$ 103	\$ 71
August 31	\$ 135	\$ 71
September 30	\$ 103	\$ 71
	\$ 105	\$ 66
October 31	\$ 180	\$ 66
December 31	\$ 161	\$ 66
September 30	\$ 180	\$ 66

November 30	\$ 101	\$ 76
June 30	\$ 122	\$ 76
August 31	\$ 135	\$ 76
September 30	\$ 101	\$ 76
	\$ 161	\$ 76
June 30	\$ 154	\$ 76
August 31	\$ 206	\$ 76
September 30	\$ 154	\$ 76
October 31	\$ 214	\$ 66
April 30	\$ 164	\$ 66
September 30	\$ 214	\$ 66
May 31	\$ 107	\$ 71
August 31	\$ 139	\$ 71
September 30	\$ 107	\$ 71
	\$ 175	\$ 66
April 30	\$ 137	\$ 66
September 30	\$ 106	\$ 66
	\$ 121	\$ 76
	\$ 135	\$ 66
December 31	\$ 160	\$ 71
July 31	\$ 174	\$ 71
September 30	\$ 160	\$ 71
October 31	\$ 299	\$ 76
December 31	\$ 247	\$ 76
August 31	\$ 270	\$ 76
September 30	\$ 299	\$ 76
	\$ 123	\$ 71
October 31	\$ 211	\$ 66
December 31	\$ 196	\$ 66
September 30	\$ 211	\$ 66
June 30	\$ 168	\$ 76
August 31	\$ 223	\$ 76
September 30	\$ 168	\$ 76
May 31	\$ 126	\$ 61
August 31	\$ 160	\$ 61
September 30	\$ 126	\$ 61
June 30	\$ 247	\$ 76
August 31	\$ 299	\$ 76
September 30	\$ 247	\$ 76
	\$ 158	\$ 71
November 30	\$ 119	\$ 66
June 30	\$ 128	\$ 66
August 31	\$ 159	\$ 66
September 30	\$ 119	\$ 66
	\$ 116	\$ 61
December 31	\$ 229	\$ 66
March 31	\$ 239	\$ 66
September 30	\$ 229	\$ 66
	\$ 113	\$ 61
	\$ 126	\$ 76
	\$ 106	\$ 61
	\$ 125	\$ 71
May 31	\$ 120	\$ 76
August 31	\$ 139	\$ 76
September 30	\$ 120	\$ 76

November 30	\$ 175	\$ 76
March 31	\$ 349	\$ 76
May 31	\$ 151	\$ 76
September 30	\$ 175	\$ 76
April 30	\$ 131	\$ 66
August 31	\$ 159	\$ 66
September 30	\$ 131	\$ 66
May 31	\$ 105	\$ 66
August 31	\$ 134	\$ 66
September 30	\$ 105	\$ 66
May 31	\$ 94	\$ 61
September 30	\$ 118	\$ 61
November 30	\$ 120	\$ 76
March 31	\$ 160	\$ 76
May 31	\$ 103	\$ 76
September 30	\$ 120	\$ 76
	\$ 181	\$ 76
	\$ 127	\$ 61
May 31	\$ 105	\$ 71
September 30	\$ 153	\$ 71
	\$ 116	\$ 61
November 30	\$ 128	\$ 76
March 31	\$ 196	\$ 76
May 31	\$ 110	\$ 76
September 30	\$ 128	\$ 76
	\$ 99	\$ 56
November 30	\$ 137	\$ 76
March 31	\$ 224	\$ 76
May 31	\$ 116	\$ 76
September 30	\$ 137	\$ 76
November 30	\$ 100	\$ 76
March 31	\$ 124	\$ 76
May 31	\$ 94	\$ 76
August 31	\$ 131	\$ 76
September 30	\$ 100	\$ 76
December 31	\$ 218	\$ 76
March 31	\$ 383	\$ 76
September 30	\$ 218	\$ 76
November 30	\$ 153	\$ 76
March 31	\$ 394	\$ 76
June 30	\$ 163	\$ 76
August 31	\$ 212	\$ 76
September 30	\$ 153	\$ 76
	\$ 127	\$ 66
	\$ 95	\$ 61
	\$ 128	\$ 61
	\$ 111	\$ 61
	\$ 105	\$ 71
October 31	\$ 251	\$ 76

February 28	\$ 181	\$ 76
June 30	\$ 251	\$ 76
August 31	\$ 179	\$ 76
September 30	\$ 251	\$ 76
May 31	\$ 94	\$ 56
July 31	\$ 118	\$ 56
September 30	\$ 94	\$ 56
April 30	\$ 94	\$ 61
June 30	\$ 131	\$ 61
August 31	\$ 193	\$ 61
September 30	\$ 94	\$ 61
	\$ 128	\$ 56
November 30	\$ 121	\$ 61
April 30	\$ 199	\$ 61
September 30	\$ 121	\$ 61
January 31	\$ 107	\$ 56
March 31	\$ 157	\$ 56
September 30	\$ 107	\$ 56
January 31	\$ 128	\$ 71
March 31	\$ 168	\$ 71
September 30	\$ 128	\$ 71
January 31	\$ 99	\$ 56
March 31	\$ 131	\$ 56
July 31	\$ 113	\$ 56
September 30	\$ 99	\$ 56
December 31	\$ 157	\$ 66
April 30	\$ 208	\$ 66
September 30	\$ 124	\$ 66
January 31	\$ 121	\$ 61
March 31	\$ 214	\$ 61
September 30	\$ 121	\$ 61



October 31	\$ 143	\$ 66
February 28	\$ 94	\$ 66
May 31	\$ 162	\$ 66
July 31	\$ 229	\$ 66
September 30	\$ 143	\$ 66
	\$ 106	\$ 61
February 28	\$ 94	\$ 71
May 31	\$ 101	\$ 71
July 31	\$ 129	\$ 71
September 30	\$ 94	\$ 71
November 30	\$ 200	\$ 66
January 31	\$ 231	\$ 66
April 30	\$ 282	\$ 66
September 30	\$ 192	\$ 66
November 30	\$ 140	\$ 66
March 31	\$ 192	\$ 66
May 31	\$ 141	\$ 66
September 30	\$ 118	\$ 66
November 30	\$ 122	\$ 66
January 31	\$ 161	\$ 66
April 30	\$ 190	\$ 66
September 30	\$ 96	\$ 66
December 31	\$ 122	\$ 66
March 31	\$ 152	\$ 66
September 30	\$ 122	\$ 66
February 28	\$ 94	\$ 66
May 31	\$ 120	\$ 66
August 31	\$ 150	\$ 66
September 30	\$ 94	\$ 66
February 28	\$ 108	\$ 61
May 31	\$ 128	\$ 61
July 31	\$ 166	\$ 61
September 30	\$ 108	\$ 61
January 31	\$ 94	\$ 61
March 31	\$ 172	\$ 61
September 30	\$ 94	\$ 61
November 30	\$ 108	\$ 61
April 30	\$ 149	\$ 61
September 30	\$ 108	\$ 61
	\$ 100	\$ 61
	\$ 125	\$ 61
April 30	\$ 120	\$ 66
June 30	\$ 97	\$ 66
September 30	\$ 120	\$ 66
December 31	\$ 102	\$ 61
April 30	\$ 125	\$ 61
September 30	\$ 102	\$ 61
December 31	\$ 121	\$ 61
April 30	\$ 155	\$ 61
September 30	\$ 121	\$ 61

November 30	\$ 126	\$ 61
April 30	\$ 183	\$ 61
September 30	\$ 126	\$ 61
	\$ 103	\$ 56
October 31	\$ 159	\$ 66
August 31	\$ 152	\$ 66
September 30	\$ 159	\$ 66
	\$ 102	\$ 61
February 28	\$ 128	\$ 76
July 31	\$ 167	\$ 76
September 30	\$ 128	\$ 76
	\$ 116	\$ 61
February 28	\$ 116	\$ 61
April 30	\$ 134	\$ 61
September 30	\$ 116	\$ 61
	\$ 114	\$ 56
	\$ 108	\$ 61
May 31	\$ 94	\$ 61
August 31	\$ 135	\$ 61
September 30	\$ 94	\$ 61
May 31	\$ 108	\$ 66
August 31	\$ 146	\$ 66
September 30	\$ 108	\$ 66
	\$ 102	\$ 56
November 30	\$ 223	\$ 76
March 31	\$ 131	\$ 76
June 30	\$ 219	\$ 76
August 31	\$ 183	\$ 76
September 30	\$ 223	\$ 76
	\$ 133	\$ 66
	\$ 113	\$ 61
April 30	\$ 97	\$ 61
August 31	\$ 112	\$ 61
September 30	\$ 97	\$ 61
	\$ 104	\$ 56
	\$ 98	\$ 61
	\$ 125	\$ 56
	\$ 106	\$ 56
	\$ 98	\$ 61
	\$ 125	\$ 66
	\$ 101	\$ 61
	\$ 113	\$ 56
	\$ 142	\$ 76
October 31	\$ 112	\$ 56
March 31	\$ 102	\$ 56
September 30	\$ 112	\$ 56
January 31	\$ 122	\$ 61
May 31	\$ 136	\$ 61
September 30	\$ 122	\$ 61
	\$ 98	\$ 66
	\$ 100	\$ 61
January 31	\$ 150	\$ 71

June 30	\$ 161	\$ 71
September 30	\$ 118	\$ 71
October 31	\$ 128	\$ 61
April 30	\$ 107	\$ 61
September 30	\$ 128	\$ 61
November 30	\$ 273	\$ 71
February 28	\$ 163	\$ 71
September 30	\$ 273	\$ 71
October 31	\$ 162	\$ 61
February 28	\$ 140	\$ 61
September 30	\$ 162	\$ 61
April 30	\$ 127	\$ 71
June 30	\$ 162	\$ 71
August 31	\$ 257	\$ 71
September 30	\$ 127	\$ 71
June 30	\$ 113	\$ 71
August 31	\$ 192	\$ 71
September 30	\$ 113	\$ 71
May 31	\$ 145	\$ 76
September 30	\$ 323	\$ 76
May 31	\$ 143	\$ 76
September 30	\$ 294	\$ 76
	\$ 110	\$ 71
May 31	\$ 119	\$ 71
August 31	\$ 146	\$ 71
September 30	\$ 119	\$ 71
	\$ 115	\$ 61
October 31	\$ 165	\$ 66
April 30	\$ 134	\$ 66
September 30	\$ 165	\$ 66
	\$ 111	\$ 56
	\$ 126	\$ 61
	\$ 107	\$ 61
October 31	\$ 134	\$ 66
April 30	\$ 109	\$ 66
September 30	\$ 134	\$ 66
November 30	\$ 157	\$ 71
February 28	\$ 117	\$ 71
August 31	\$ 149	\$ 71
September 30	\$ 157	\$ 71
	\$ 102	\$ 61
May 31	\$ 118	\$ 61
August 31	\$ 163	\$ 61
September 30	\$ 118	\$ 61
	\$ 118	\$ 71
	\$ 106	\$ 66
	\$ 100	\$ 61
June 30	\$ 106	\$ 66
August 31	\$ 245	\$ 66

September 30	\$ 106	\$ 66
October 31	\$ 164	\$ 66
June 30	\$ 125	\$ 66
August 31	\$ 218	\$ 66
September 30	\$ 164	\$ 66
October 31	\$ 110	\$ 76
June 30	\$ 94	\$ 76
August 31	\$ 147	\$ 76
September 30	\$ 110	\$ 76
October 31	\$ 146	\$ 61
June 30	\$ 110	\$ 61
August 31	\$ 174	\$ 61
September 30	\$ 146	\$ 61
	\$ 120	\$ 61
June 30	\$ 94	\$ 61
August 31	\$ 113	\$ 61
September 30	\$ 94	\$ 61
	\$ 131	\$ 56
	\$ 108	\$ 56
	\$ 118	\$ 61
April 30	\$ 106	\$ 56
August 31	\$ 126	\$ 56
September 30	\$ 106	\$ 56
	\$ 102	\$ 56
June 30	\$ 94	\$ 56
August 31	\$ 119	\$ 56
September 30	\$ 94	\$ 56
	\$ 113	\$ 56
May 31	\$ 94	\$ 61
August 31	\$ 123	\$ 61
September 30	\$ 94	\$ 61
June 30	\$ 101	\$ 56
August 31	\$ 157	\$ 56
September 30	\$ 101	\$ 56
	\$ 117	\$ 56
May 31	\$ 94	\$ 61
August 31	\$ 117	\$ 61
September 30	\$ 94	\$ 61
June 30	\$ 107	\$ 66
August 31	\$ 184	\$ 66
September 30	\$ 107	\$ 66
October 31	\$ 154	\$ 76
May 31	\$ 121	\$ 76
August 31	\$ 171	\$ 76
September 30	\$ 154	\$ 76
	\$ 99	\$ 71
October 31	\$ 151	\$ 76
March 31	\$ 135	\$ 76
September 30	\$ 151	\$ 76
	\$ 124	\$ 61
	\$ 125	\$ 66

	\$ 133	\$ 66
	\$ 105	\$ 61
	\$ 108	\$ 56
	\$ 98	\$ 66
May 31	\$ 95	\$ 61
September 30	\$ 160	\$ 61
	\$ 101	\$ 66
June 30	\$ 95	\$ 61
August 31	\$ 146	\$ 61
September 30	\$ 95	\$ 61
October 31	\$ 122	\$ 56
December 31	\$ 115	\$ 56
March 31	\$ 95	\$ 56
September 30	\$ 122	\$ 56
May 31	\$ 94	\$ 61
August 31	\$ 127	\$ 61
September 30	\$ 94	\$ 61
	\$ 116	\$ 66
	\$ 130	\$ 56
	\$ 107	\$ 61
	\$ 106	\$ 56
October 31	\$ 109	\$ 56
March 31	\$ 100	\$ 56
September 30	\$ 109	\$ 56
March 31	\$ 95	\$ 66
September 30	\$ 168	\$ 66
	\$ 117	\$ 56
	\$ 106	\$ 61
	\$ 109	\$ 61
	\$ 102	\$ 66
February 28	\$ 131	\$ 66
June 30	\$ 119	\$ 66
August 31	\$ 158	\$ 66
September 30	\$ 131	\$ 66
May 31	\$ 108	\$ 61
August 31	\$ 128	\$ 61
September 30	\$ 108	\$ 61
October 31	\$ 150	\$ 61
May 31	\$ 120	\$ 61
September 30	\$ 150	\$ 61
	\$ 132	\$ 71
	\$ 110	\$ 61
October 31	\$ 143	\$ 61
June 30	\$ 115	\$ 61
August 31	\$ 166	\$ 61
September 30	\$ 143	\$ 61
June 30	\$ 94	\$ 66
August 31	\$ 97	\$ 66
September 30	\$ 94	\$ 66
	\$ 99	\$ 61
	\$ 109	\$ 61

	\$ 108	\$ 61
	\$ 123	\$ 66
	\$ 141	\$ 61
	\$ 152	\$ 61
	\$ 128	\$ 61
	\$ 149	\$ 66
	\$ 120	\$ 66
	\$ 116	\$ 61
	\$ 166	\$ 56
December 31	\$ 123	\$ 61
February 28	\$ 100	\$ 61
September 30	\$ 123	\$ 61
	\$ 105	\$ 66
June 30	\$ 114	\$ 66
August 31	\$ 142	\$ 66
September 30	\$ 114	\$ 66
December 31	\$ 108	\$ 61
March 31	\$ 130	\$ 61
August 31	\$ 102	\$ 61
September 30	\$ 108	\$ 61
	\$ 113	\$ 61
	\$ 96	\$ 61
	\$ 104	\$ 66
	\$ 149	\$ 71
June 30	\$ 103	\$ 66
August 31	\$ 164	\$ 66
September 30	\$ 103	\$ 66
	\$ 126	\$ 66
	\$ 116	\$ 66
February 28	\$ 132	\$ 66
June 30	\$ 119	\$ 66
August 31	\$ 184	\$ 66
September 30	\$ 132	\$ 66
December 31	\$ 288	\$ 76
February 28	\$ 165	\$ 76
June 30	\$ 253	\$ 76
August 31	\$ 223	\$ 76
September 30	\$ 288	\$ 76
June 30	\$ 94	\$ 56
August 31	\$ 123	\$ 56
September 30	\$ 94	\$ 56
	\$ 115	\$ 66
	\$ 104	\$ 66
	\$ 136	\$ 71
	\$ 110	\$ 61
June 30	\$ 117	\$ 61
August 31	\$ 177	\$ 61
September 30	\$ 117	\$ 61

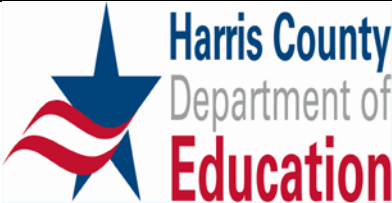
	\$ 98	\$ 61
	\$ 145	\$ 76
	\$ 108	\$ 61
	\$ 110	\$ 61
	\$ 102	\$ 56
June 30	\$ 94	\$ 56
August 31	\$ 107	\$ 56
September 30	\$ 94	\$ 56
	\$ 142	\$ 76
	\$ 131	\$ 66
	\$ 122	\$ 61
	\$ 103	\$ 56
	\$ 113	\$ 56
	\$ 102	\$ 56
	\$ 105	\$ 56
May 31	\$ 102	\$ 56
August 31	\$ 120	\$ 56
September 30	\$ 102	\$ 56
	\$ 95	\$ 61
	\$ 133	\$ 61
May 31	\$ 113	\$ 61
August 31	\$ 158	\$ 61
September 30	\$ 113	\$ 61
	\$ 116	\$ 56
	\$ 115	\$ 61
June 30	\$ 107	\$ 66
August 31	\$ 151	\$ 66
September 30	\$ 107	\$ 66
October 31	\$ 184	\$ 66
March 31	\$ 150	\$ 66
September 30	\$ 184	\$ 66
June 30	\$ 110	\$ 71
August 31	\$ 182	\$ 71
September 30	\$ 110	\$ 71
	\$ 105	\$ 61
	\$ 104	\$ 61
	\$ 112	\$ 56
	\$ 97	\$ 56
October 31	\$ 109	\$ 66
March 31	\$ 94	\$ 66
September 30	\$ 109	\$ 66
	\$ 116	\$ 61
October 31	\$ 137	\$ 71
May 31	\$ 117	\$ 71
August 31	\$ 181	\$ 71
September 30	\$ 137	\$ 71
	\$ 111	\$ 61
	\$ 129	\$ 61
	\$ 125	\$ 66
November 30	\$ 192	\$ 61
March 31	\$ 162	\$ 61
August 31	\$ 180	\$ 61
September 30	\$ 192	\$ 61
	\$ 125	\$ 56

	\$ 105	\$ 61
	\$ 101	\$ 61
	\$ 104	\$ 61
October 31	\$ 174	\$ 66
May 31	\$ 116	\$ 66
August 31	\$ 209	\$ 66
September 30	\$ 174	\$ 66
	\$ 156	\$ 61
	\$ 96	\$ 56
October 31	\$ 198	\$ 71
February 28	\$ 166	\$ 71
May 31	\$ 226	\$ 71
August 31	\$ 183	\$ 71
September 30	\$ 198	\$ 71
	\$ 109	\$ 61
March 31	\$ 114	\$ 61
August 31	\$ 166	\$ 61
September 30	\$ 114	\$ 61
February 28	\$ 94	\$ 61
May 31	\$ 111	\$ 61
August 31	\$ 166	\$ 61
September 30	\$ 94	\$ 61
May 31	\$ 94	\$ 61
September 30	\$ 130	\$ 61
October 31	\$ 114	\$ 71
March 31	\$ 94	\$ 71
September 30	\$ 114	\$ 71
June 30	\$ 94	\$ 61
August 31	\$ 148	\$ 61
September 30	\$ 94	\$ 61
	\$ 129	\$ 61
	\$ 107	\$ 61
	\$ 97	\$ 56
	\$ 121	\$ 61
June 30	\$ 179	\$ 61
September 30	\$ 173	\$ 61
	\$ 164	\$ 61
December 31	\$ 145	\$ 61
March 31	\$ 160	\$ 61
September 30	\$ 145	\$ 61
	\$ 101	\$ 61
	\$ 101	\$ 56
	\$ 110	\$ 56
November 30	\$ 157	\$ 66
August 31	\$ 149	\$ 66
September 30	\$ 157	\$ 66
	\$ 96	\$ 61
May 31	\$ 105	\$ 61
July 31	\$ 131	\$ 61
September 30	\$ 105	\$ 61
May 31	\$ 131	\$ 61
September 30	\$ 120	\$ 61
	\$ 142	\$ 61



December 31	\$ 154	\$ 66
March 31	\$ 216	\$ 66
September 30	\$ 154	\$ 66
	\$ 121	\$ 56
	\$ 103	\$ 56
	\$ 126	\$ 61
February 28	\$ 94	\$ 56
May 31	\$ 96	\$ 56
July 31	\$ 117	\$ 56
September 30	\$ 94	\$ 56
	\$ 105	\$ 56
October 31	\$ 181	\$ 71
February 28	\$ 94	\$ 71
September 30	\$ 181	\$ 71
November 30	\$ 139	\$ 76
March 31	\$ 259	\$ 76
September 30	\$ 139	\$ 76
	\$ 101	\$ 56
	\$ 125	\$ 56
	\$ 95	\$ 71
June 30	\$ 98	\$ 56
September 30	\$ 117	\$ 56
	\$ 132	\$ 71
	\$ 107	\$ 61
	\$ 99	\$ 61
	\$ 147	\$ 66
	\$ 111	\$ 61
May 31	\$ 99	\$ 61
August 31	\$ 180	\$ 61
September 30	\$ 99	\$ 61
June 30	\$ 110	\$ 61
August 31	\$ 205	\$ 61
September 30	\$ 110	\$ 61
December 31	\$ 98	\$ 61
February 28	\$ 94	\$ 61
August 31	\$ 115	\$ 61
September 30	\$ 98	\$ 61
October 31	\$ 134	\$ 71
April 30	\$ 103	\$ 71
September 30	\$ 134	\$ 71
October 31	\$ 125	\$ 76
July 31	\$ 105	\$ 76
September 30	\$ 125	\$ 76
	\$ 126	\$ 66
	\$ 135	\$ 76
October 31	\$ 110	\$ 71
May 31	\$ 98	\$ 71
September 30	\$ 110	\$ 71
May 31	\$ 113	\$ 66
August 31	\$ 138	\$ 66
September 30	\$ 113	\$ 66

June 30	\$ 102	\$ 66
August 31	\$ 133	\$ 66
September 30	\$ 102	\$ 66
	\$ 127	\$ 66
June 30	\$ 108	\$ 76
August 31	\$ 161	\$ 76
September 30	\$ 108	\$ 76
	\$ 97	\$ 66
May 31	\$ 189	\$ 76
September 30	\$ 257	\$ 76
	\$ 105	\$ 61
	\$ 121	\$ 71
October 31	\$ 184	\$ 66
March 31	\$ 150	\$ 66
September 30	\$ 184	\$ 66
	\$ 100	\$ 61
	\$ 107	\$ 56
October 31	\$ 127	\$ 61
March 31	\$ 107	\$ 61
September 30	\$ 127	\$ 61
	\$ 120	\$ 66
May 31	\$ 94	\$ 56
August 31	\$ 105	\$ 56
September 30	\$ 94	\$ 56
October 31	\$ 98	\$ 61
May 31	\$ 94	\$ 61
September 30	\$ 98	\$ 61
February 28	\$ 100	\$ 61
August 31	\$ 120	\$ 61
September 30	\$ 100	\$ 61
	\$ 107	\$ 56
	\$ 97	\$ 56
May 31	\$ 115	\$ 71
September 30	\$ 172	\$ 71
June 30	\$ 152	\$ 76
August 31	\$ 245	\$ 76
September 30	\$ 152	\$ 76
	\$ 95	\$ 61

	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <i>CH (LOCAL)</i>
DATE DEVELOPED: 03/26/06		
REVISED DATE: 04/29/10		
SUBJECT: Tips & Gratuities		

### **Purpose**

To provide guidelines for reimbursement for tips and gratuities during business meetings on behalf of HCDE.

### **Procedure**

A tip is always optional; it is intended to reward good customer service. On the other hand, HCDE employees have a fiduciary responsibility to be prudent regarding the use of public funds.

**Employees may give tips in excess of the established guidelines, but only the maximum amounts will be reimbursed as authorized in this procedure.**

#### **Tips for Meals:**

For the purpose of business meetings, HCDE allows up to a maximum of **15% of the meal expense as a gratuity to the waitperson for excellent service.** Gratuities established by a restaurant for parties over a certain number of persons are allowable and will be reimbursed in full providing that the request for reimbursement accompany documents and or receipts that substantiates (time, date, purpose and a list of the attendees) the business meeting. For example, if an establishment assesses an 18-25% gratuity (usually for larger parties) the employee will be reimbursed for the total of the bill.

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

The delivery fee for food often covers the expenses for delivery such as vehicle fuel and use, insurance expense and 'to go' supplies (containers, etc.) and not a gratuity for the delivery person. HCDE allows a maximum of **10% of the food** total to be paid for catering/food delivery expenses. For example,


Invoice total:	\$ 75.00
LESS Delivery fee:	<u>- 10.00</u>
Food Total:	\$ 65.00

Maximum allowable tip: \$ 6.50

#### **Other tips or gratuities:**

Reimbursements for tips/gratuities for the following services are considered personal services and are unallowable for reimbursements:

- maid service
- valet parking
- taxi/shuttle/ground transportation
- baggage handler
- bell hopper
- rest room attendant
- concierge services

 <b>Harris County</b> Department of <b>Education</b>	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference: <i>CH (Local)</i>
DATE DEVELOPED: 02/09/09		REVISED DATE: 04/29/11
SUBJECT:    Processing stale dated checks (checks dated after 90 days)		


### **Purpose**

To provide guidelines for processing checks dated after 90 days.

### **Procedure**

Checks issued by Harris County Department of Education for payment of goods and services, payroll and other considerations may be voided after 90 days from the date of issuance. The Business Office will review all checks that have not been presented for payment within 90 days from the date of issuance and send a **final** "request for replacement check form" to the payee.

Payees must complete the replacement check request form before a replacement check can be processed. If no response is received within 30 days of the final replacement check notice, checks may be submitted to the State of Texas Comptroller's office as unclaimed property.

	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <i>CH (LOCAL)</i>
DATE DEVELOPED: 03/26/06		
REVISED DATE: 05/04/16		
SUBJECT: Replacement checks		

### **Purpose**

To provide guidelines for initiating replacement checks processed through Accounts Payable.

### **Procedure**

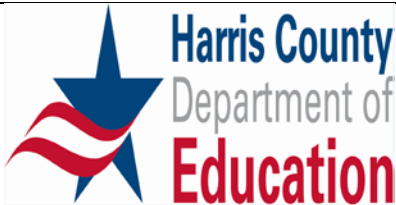
Checks processed, mailed and not received by an employee or vendor may be replaced after notification has been received in the Business Office. The following information should be provided: ***vendor or employee's name, check number, check amount, confirmation of address and the check date.*** Reissued checks may take up to 7 business days for processing.

### **Lost checks**

The Accounts Payable staff should be notified immediately of lost checks. There is a 7 business day waiting period after the issuance date before a replacement check may be processed. Checks assumed lost will be placed on a stop payment status. If a check is determined to be stolen or cashed without the authorization of the payee, HCDE will contact the vendor for further instructions.

### **Suspected Fraud**

Vendors who report their checks to be cashed without their knowledge will be required to complete a bank affidavit. HCDE will not reissue a check until 30 days after the notice of incident.

	<p><b>ACCOUNTING PROCEDURES</b></p> <p>HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	Reference: <i>CH (LOCAL)</i> <i>CHF (LEGAL)</i>
<p>DATE DEVELOPED: 08/23/07</p> <p>REVISED DATE: 08/21/2018</p>		
<p>SUBJECT: Processing vendor payments</p>		

### **Purpose**

To ensure that all vendors are paid accurately and in a timely manner.

### **Procedure**

The following procedure should be followed to ensure that vendors are paid accurately and in a timely manner:

#### *Division Personnel:*

- Obtain approval from the budget manager or designee to make a purchase or to request a service from a vendor.
- Follow Purchasing procedures & guidelines for **allowable** vendors, purchases, services and limitations (approved cooperative vendors, 3 quotes, \$ limitations per item, etc.).
- Verify the receipt of a complete vendor package with the Purchasing Department.
- Verify a vendor number has been assigned to the vendor.
- Contact Purchasing to obtain a vendor number for employees (for TMS or reimbursement purposes).
- Verify funds are available in the budget.
- Process a requisition.
- For goods or services that are allowable and will be paid with a Payment Authorization, obtain a formal receipt or invoice, not a quote. Accounts Payable will not process payments with a quote.
- Retain a copy of the Payment Authorization and supporting documentation for your files.
- Ensure that all invoices are mailed directly to the Business Office, attention: Accounts Payable or email to [AccountsPayable@hcde-texas.org](mailto:AccountsPayable@hcde-texas.org)

#### *Business Office/Accounts Payable (A/P):*

- Receive all invoices through mail or email (from the vendor only).
- Review invoices and compare amounts against payment authorization or purchase order for accuracy.
- Notify the divisions of all invoices that do not have supporting documentation or approval. (Note: Invoices are available for review or may be photocopied by the requester at his or her convenience).
- Obtain signature of approval from budget managers or authorized person for "OK to Pay" invoices.
- Process invoices within 30 days provided that the invoice and supporting documentation are available.
- Mail checks according to the Business Office calendar.

Authorized Signatures-Only the budget manager or authorized designee is allowed to approve and sign vendor invoices, purchase orders or payment authorizations. Budget managers should ensure that the signature authorization form is updated at all times.

**ALL PAYMENTS WILL BE EXCHANGED IN US DOLLARS, CANADIAN DOLLARS AND OTHERS ARE NOT ACCEPTABLE.**

What to do when Funds are unavailable (budget exceeds balance)?

If you were notified that your payment authorization or purchase order was not processed due to funds unavailable, follow the steps below:

- (1) Contact your budget manager or designee;
- (2) Initiate a budget transfer and forward to the Business Office;
- (3) Confirm that the budget transfer was processed and ;
- (4) Notify an Accounts Payable specialist after the budget transfer/amendment has been processed

**Note: a payment will not be processed when there are no funds available.**

### **Vendor Payments**

- All payments must be made by either a check, a wire, or a vendor ACH.
- All payments via wire will require two approvals through the depository bank
- All payments must be mailed to the vendor unless the payment is requested to be released to the vendor with the Assistant Supt for Business written approval.
- Payroll benefit checks will be provided to the Human Resource Executive Director for mailing with employee lists.



## Customary Expense Reimbursement Guidelines for Independent Consultants

All Independent Consultants shall be paid on a reimbursement basis for customary and necessary expenses in accordance with the approved contracts and within the customary limits provided in this guideline:

**NOTE:** All reimbursements must be HCDE business related expenses. In addition, business related expenses must be substantiated by providing proof of the dates, time, location and the business purpose for each business occurrence. **All receipts must be itemized.**

<u>REIMBURSABLE EXPENSE</u>	<u>ACCEPTABLE ACCOUNTING DOCUMENTATION and LIMITATIONS</u>
Meals	actual cost with itemized receipt
Meal Tips	Itemized receipts(s) up to 15% of total bill
Personal Automobile Miles	Effective Federal Rate with Google map and referenced destinations with the total number of miles traveled
Common Carrier (airline, bus, etc)	Coach rate
Ground Transportation (shuttle, cab)	actual cost with itemized receipt
Luggage	1 bag with receipt
Incidentals (other business related expenses)	actual cost with receipt
Toll Fees	Up to \$10.00 per day with receipt
Event parking	actual cost with receipt
Airport parking	Up to \$15.00 per day
Lodging	According to GSA guidelines plus \$50.00 for TEXAS only Out of State-Up to maximum per GSA guidelines
Conference Registration	actual cost with receipt and a complete agenda



**NON REIMBURSABLE EXPENSES**

Airline club membership fees

Baggage insurance

Costs incurred by unreasonable failure to cancel reservations

Donations and contributions

Entertainment under federal grants and contracts

Excessive service tipping (over 10% of total cost)

Fines or tickets resulting from traffic, parking, or other violations

In-flight headsets

Lost, broken or stolen property


Maid service

Movies or games (hotel, theater or rentals)

Newspaper and magazines

Personal items

Alcoholic beverages

	<b>ACCOUNTING PROCEDURES</b> HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  DEE (LOCAL)
DATE DEVELOPED: 03/11/09	REVISED DATE: 11/04/16	
SUBJECT: Processing payments for Independent Consultants		

### **Purpose**

HCDE may solicit services from many independent consultants to help fulfill the objectives and goals set forth by divisions. This procedure is to assist Budget managers or designees with initiating payments for independent consultants. Budget managers should ensure that all expenses are reasonable, necessary and substantiated. **All Independent Consultants contractual expenses must be paid on a reimbursement basis.**

**ALL PAYMENTS WILL BE EXCHANGED IN US DOLLARS, CANADIAN DOLLARS AND OTHERS ARE NOT ACCEPTABLE.**

### **Procedure**

In order to ensure that independent consultants are paid accurately and in a timely manner, the following procedure should be followed:

#### **Before services are rendered:**

- (1) Obtain a vendor package from HCDE Portal: Purchasing
- (2) Verify that the consultant signed and returned all the requested information provided in the vendor package to Purchasing. (Note: a consultant will be setup in the system with a valid TIN or EIN, if a completed vendor package has been received in the Purchasing department)

#### **A new vendor package includes the following forms:**

- ✓ W-9 (all changes to ownership status requires a new W-9)
  - ✓ Vendor information form
  - ✓ Felony Conviction Notice Form
  - ✓ CIQ (required each time a new contract is approved by the Board)
  - ✓ Evidence of finger printing if the consultant will have unsupervised contact with students
- (3) Prepare a contract which will include specific fees and allowable reimbursable expenses in addition to the flat service fee. Allowable reimbursable fees may include: mileage, business lunches, workshop fees, parking fees or toll fees etc.
  - (4) Obtain the appropriate approval(s) for the total anticipated amount of the contract service agreement. Follow all purchasing procedures in accordance with the procurement policies. If Board approval is necessary, be aware of the board agenda dates for submission.
  - (5) Prepare a requisition to process a purchase order for the total amount of the contract. According to CH Local, <http://pol.tasb.org/Policy/Code/578> all contract purchases above \$50,000 require board approval and must be processed through a Purchase Order.

Contracts \$2,500 or less may be processed on a Payment Authorization and will require a copy of the consultant's contract for each payment processed. The following account codes should be used for consultant's payments:

(a) Account code **6219-0000** should be used to charge all flat professional service fees and nonaccountable reimbursable fees. A nonaccountable reimbursable expense includes reimbursements and fees that have not been substantiated (date, time, purpose of business connection).

(b) Account code **6499-0000** should be used to charge all allowable reimbursable fees (as specified in the contractual agreement) requested **with receipts** and/or other acceptable forms of accounting. Refer to the guidelines below regarding allowable reimbursable fees and acceptable forms of accounting.

**All requests for reimbursements must accompany itemized receipts.**

- (6) The consultant's invoice must be on personal or business stationery. The use of HCDE stationery is not acceptable. All receipts should be taped on an 8X11 sheet of paper. Budget managers or designee should verify that the service was provided and sign the invoice for approval by denoting "Ok to pay". Budget manager's signature serves as authorization and certification that all policies and procedures have been adhered to and that HCDE received the best value for the service.

Allowable Reimbursable Expenses

Mileage for traveling (out of town)

Acceptable form of documentation

copy of mileage result from Google Maps website and the purpose of the business trip

Mileage (in county)

Personal log - including date, to and from address, the name(s) of the persons attending the meeting, purpose of the meeting and the total miles for each location

Parking

original receipts, signed

Toll fees

original receipts signed

Business lunches

original receipts, including the number guests and purpose of the business meeting

Lodging

original receipts, signed

- (7) Monitor each budgeted line item for consultant's expenses and ensure funds availability. A payment cannot be processed without funds available. All change order requests for processing additional expenses over the original and approved contract amount may require board approval.

- (8) Submit approved invoices and payment authorizations, if applicable and approved to the Business Office before the due date.

**P card Purchases**

Payments for services rendered from independent consultants or any vendor on a P card is prohibited or not allowed. Expenses charged to a 6200 account code is prohibited. All payments for services should be requested on a Purchase Order or a Payment Authorization, if approved. However, business cards, t-shirts and other expenses deemed reasonable and necessary for business reasons may be allowed to be purchased on a P card.

*Authorized Signatures-Only the budget manager or authorized designee is allowed to approve and sign a payment authorization and invoices. Budget managers should ensure that the signature authorization form is updated at all times.*

What to do when funds are unavailable (exceeds budget balance)?

If you were notified that your payment authorization or purchase order was not processed due to funds unavailable, follow the steps below:

- (1) Contact your budget manager or designee;
- (2) Initiate a budget transfer and forward to the Business Office;
- (3) Confirm that the budget transfer was processed and ;
- (4) Notify an Accounts Payable specialist after the budget transfer/amendment has been processed

**Note: A payment will not be processed when funds are unavailable.**

Responsibility of Independent consultant

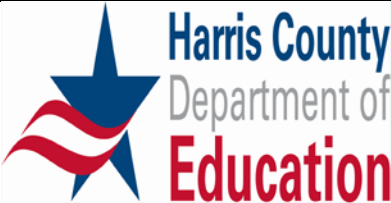
- (1) Complete a vendor package.
- (2) Submit invoices on business or personal stationery to the budget manager and other expenses with detail of deliverables or services.
- (3) Retain copies of all submitted receipts for your records.
- (4) Verify that information on Form 1099-Misc is accurate
- (5) Report all payments and Form 1099-Misc discrepancies to the Business Office/Accounts Payable as soon as possible.
- (6) **Submit an updated vendor information form to Purchasing for change of address.**
- (7) Submit a new W-9 for changes in business status.

Responsibility of the Business Office/Accounts Payable

- (1) Ensure that a W-9 is on file and a valid TIN or EIN is provided before any payment is processed.
- (2) Verify all required documents (invoices, contracts, etc) are attached to each purchase order or payment authorization and the signature of the budget manager or designee is on the invoice.
- (3) Report discrepancies of any kind regarding the independent consultant's invoice(s) to the Budget Manager, Accounting Manager or Asst. Superintendent of Business.

Responsibility of the Purchasing Division

- (1) Verify receipt of a vendor package.
- (2) Ensure that the W-9 is complete and accurate.
- (3) Setup the vendor file.
- (4) Provide the divisions with a copy of the signed consultant's contract.
- (5) Submit the original purchase order and contract to the Business Office.

	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <i>DEE (LOCAL)</i>
DATE DEVELOPED: 03/27/09		
REVISED DATE: 11/04/16		
SUBJECT:   Processing   payments for non-employee reimbursements		

### **Purpose**

HCDE may receive local and state grant funds to reimburse non-employees (board members, parents, respite payees, teachers, students, community members, etc) for services or other contractual arrangements. This procedure is to assist budget managers with initiating payments or reimbursements for non-employees. **ALL PAYMENTS WILL BE EXCHANGED IN US DOLLARS, CANADIAN DOLLARS AND OTHERS ARE NOT ACCEPTABLE.**

### **Procedure**

Reimbursements may be approved and payments may be processed after HCDE has received all the required receipts and other acceptable forms of accounting documentation. In order to ensure that non-employees payments or reimbursements are processed accurately and in a timely manner, the following procedure must be followed:

#### **Responsibility of the budget managers or designees**

- ✓ Be familiar with allowable and non allowable reimbursable expenses per grant.
- ✓ Verify that all acceptable and appropriate forms of accounting documentation are attached to each payment authorization for reimbursement before submission to the Business Office.
- ✓ Ensure incurred expenses are reasonable, necessary and substantiated
- ✓ Review, approve and sign all required documentation.

- (1)** Prepare a payment authorization for a non-employee reimbursement using the appropriate account codes as followed:

	<u>Non-employees</u>	<u>Board Members</u>
Meals	6419-0005	6419-0001
Conf Fees	6419-0007	6419-0003
Lodging	6419-0004	6419-0000
Transportation	6419-0006	6419-0002

#### **Allowable Reimbursable Expenses**

Mileage for traveling (out of town)

Mileage (in county)

Parking  
Toll fees

#### **Acceptable form of documentation**

copy of mileage result from Google Maps website and the purpose of the trip

Personal log- including date, address from-address to, attach name(s) of the person attending the meeting, the purpose of the trip and the total miles

original receipts, signed  
original receipts, signed

Meals	original receipts (up to the per diem rate) and an agenda
Lodging	original receipts, signed
Conference or workshop fees	original receipts, agenda

- (2) Monitor budgeted line items.
- (3) Submit invoices and payment authorizations to the Business Office before the due date.

**Effective 06/25/2014, a Request to Attend form is not required for non-employee approved business travel on behalf of HCDE.**

Responsibility of the Business Office/Accounts Payable

- (1) Verify all required documents are attached to each payment or reimbursement request and signed by the budget manager.
- (2) Notify budget manager or designee of all discrepancies regarding the non-employee's receipts and/or accounting documentation.
- (3) Process checks in accordance with the Business Services calendar


*Authorized Signatures-Only the budget manager or authorized designee is allowed to approve and sign a payment authorization or purchase order. Budget managers should ensure that the signature authorization form is updated at all times.*

What to do when Funds are unavailable (budget exceeds balance)?

If you were notified that your payment authorization or purchase order was not processed due to funds unavailable, follow the steps below:

- (1) Contact your budget manager or designee;
- (2) Initiate a budget transfer and forward to the Business Office;
- (3) Confirm that the budget transfer was processed and ;
- (4) Notify an Accounts Payable specialist after the budget transfer/amendment has been processed

Note: a payment will not be processed when there are no funds available.

	<b>ACCOUNTING PROCEDURES</b> HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <i>DEE (LOCAL)</i>
DATE DEVELOPED: 04/14/09	REVISED DATE: 05/03/13	
SUBJECT: Processing payments for business-related reimbursements under an Accountable / Non-Accountable plan		

### **Purpose**

HCDE will reimburse employees for allowable business-related expenses incurred while conducting business on behalf of HCDE. This procedure is to provide assistance to employees in understanding the importance of providing documentation with a request for reimbursement under an accountable or non-accountable plan.

### **Procedure**

Reimbursements will be processed in accordance with the Business Office procedures and other federal, local and state related mandates. HCDE accountable and non-accountable plan rules may be subject to substantiation and tax withholding. All requests for reimbursement of business-related expenses must be submitted with the required documentation that substantiates or accounts for the amount of the reimbursement within the current fiscal year. All travel reimbursements disbursed from grant funds must be submitted within 30 days after the last date of travel and no later than 15 days after the end of the grant period. Request for travel reimbursements submitted after the 15 day period after a grant period has ended will be returned to the requester. Reimbursements not supported by the appropriate documentation may be included in the employee's taxable income and subject to withholding.

### **What is an accountable or non accountable plan?**

An **Accountable** plan is a plan whereas the employee must account for and show proof in detail of the business-related expenses incurred they are requesting reimbursement for. A **Non-accountable** plan is a plan whereas the employee does not have to account for or show proof in detail of the business-related expenses incurred they are requesting reimbursement for.

### **HCDE Accountable (Reimbursement) Plan For Employees**

### **This plan is designated for reimbursements to employees which require receipts for payment.**

A reimbursement under an Accountable Plan requires the following:

- ✓ Must have paid or incurred deductible expenses while performing services as an employee. (business connection)
- ✓ Must adequately account for expenses within the current fiscal year of occurrence or travel
- ✓ Must return any amounts in excess of allowable expenses within the current fiscal year of occurrence or travel
- ✓ Must provide itemized and original receipts, signed

Amounts paid under an Accountable Plan are not considered wages and are not subject to the withholding and payment of income reportable on the W2-wage statement, if requirements are met.

If the business-related expenses covered under an accountable plan are not substantiated or accounted for within the current fiscal year, the amount will be treated as paid under a nonaccountable plan and will be subject to the withholdings and payment of income reportable on W2-wage statement.

Example of **Accountable Plan** reimbursements and required documentation for accounting:

<u>Expenses (reimbursements)</u>	<u>Required documentation for accounting</u>
✓ Per diem (meals)	copy of request to attend and travel reimbursement request. Rates vary by state and therefore will be paid based on individual state rates.
✓ Mileage (in state)	complete mileage log referencing to: and from: address, purpose of trip
✓ Mileage (out of state)	complete mileage log referencing to: and from: address, purpose of trip or a copy of the mileage guide from Google Map website referencing total miles
✓ Lodging	copy of itemized hotel statement and purpose of business trip
✓ Parking fees	original receipts
✓ Cell phone charges	copy of phone bill that identifies each business-related call or a written statement contesting that all calls are HCDE allowed calls.  For business-related calls to be reimbursed, calls must be itemized on a monthly bill. Personal calls should be highlighted and not included in the reimbursement request.
✓ Blackberry service	itemized phone bill must identify the service cost separate from any other charges note the business purpose and a written statement contesting that all emails are primarily to conduct HCDE business.
✓ Receipts	itemized receipts are required for full reimbursement of actual expenses. Credit card receipts bearing only the total costs are not considered adequate documentation and are not acceptable.



## **HCDE NON-Accountable (Reimbursement) Plan For Employees**

**This plan is designated for allowances and payments made to employees that do not require receipts to substantiate the payment.**

A reimbursement under a non-accountable plan are as followed:


- ✓ Employee is not required to or does not substantiate or account for expenses (receipts) within the current fiscal year.
- ✓ Employee is not required to or is not expected to return cash advances on non business-related expenses within 60 days of occurrence.
- ✓ Amounts are reimbursed to employees through payroll and are identified as additional wages (example: car allowances)

Examples of non-accountable reimbursements:

- ✓ Car allowances
- ✓ Travel allowances
- ✓ Misc allowances
- ✓ Cellular phone allowances

Cash advances are prohibited. Amounts paid under a non-accountable plan are considered wages and are subject to the withholdings and payroll taxes.

Non-accountable reimbursements are initiated through Human Resources and require the Superintendent and/or Board approval.

	<b>ACCOUNTING PROCEDURES</b> HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference: <i>CH Legal</i>
DATE DEVELOPED: 7/21/2008	REVISED DATE: 05/24/2015	
SUBJECT: Processing payments for Telecommunications and Utility Invoices		

#### Purpose

To provide guidelines on processing payments for Telecommunications & Utility Invoices

#### Procedure

All original telecommunication and utility invoices must be mailed to the Business Office/Attention: Accounts Payable. Faxed copies are not acceptable unless received from the vendor. All invoices are date stamped and processed in the Business Office. All invoices are required to be reviewed and confirmed via email by the Budget Manager for all payments, errors and adjustments.

***Authorized Signatures-Only the budget manager or authorized designee are allowed to approve Telecommunications and utility invoices. Budget managers should ensure that the Signature authorization form is updated at all times.***

The following steps should be followed to ensure that invoices are reviewed, approved, and paid in a timely manner:

#### Telecommunication invoices paid with a payment authorization:

1. All telecommunication invoices paid with a payment authorization form are compiled on a spreadsheet in the Business Office. The spreadsheet details each Budget Manager's divisional expenditures and budget codes.
2. The original invoices, the cost spreadsheet and the personal phone call acknowledgement form are scanned/emailed to each Budget Manager and designee.
3. The Budget Manager and/or designee should review the spreadsheet for reasonable cost, possible errors and/or billing adjustments.
4. The Budget Manager must reply via email to confirm the charges and approval of the invoices.
5. The Project Manager in the Technology Division reviews and approves all Verizon, AT&T and Comcast invoices.
6. The Business Office will prepare a payment authorization.
7. The payment authorization is reviewed and approved by the Asst. Superintendent of Business.
8. The payment authorization is processed for payment.
9. All email confirmations will be monitored and kept on file in the Business Office as they are received. Budget Managers are encouraged to respond promptly to all email notifications. Budget Managers who have not responded to the email notifications will be contacted for a final reminder.

#### Telecommunication invoices paid with a Purchase Order

1. All telecommunication invoices paid with a Purchase Order are scanned/mailed to each Budget Manager and designee.
2. The Budget Manager and/or designee should review the invoices for reasonable cost, possible errors and/or billing adjustments.
3. The Budget Manager must reply via email to confirm the charges and approval of the invoices.
4. The Project Manager in the Technology Division reviews and approves all Verizon, AT&T and Comcast invoices.
5. The Purchase Order is processed for payment.
6. All email confirmations will be monitored and kept on file in the Business Office as they are received. Budget Managers are encouraged to respond promptly to all email notifications. Budget Managers who have not responded to the email notifications will be contacted for a final reminder.


#### Utility invoices paid with a Purchase Order:

1. All utility invoices will be available for review on the S:Drive/Facilities Invoices. Only authorized personnel will have access to this folder.
2. Facilities Budget Manager or designee should review the utility invoices posted on the S:Drive/Facilities Invoices for reasonable cost, possible errors and/or billing adjustments at least monthly.
3. The Budget manager should reply via email with a confirmation of approval to pay at the end of each month. All billing errors and/or adjustments should be directed to the Facilities Budget Manager for review. All payment adjustments will be processed on the next regularly scheduled check run.
4. The purchase order is processed for payment
5. All email confirmations will be monitored and kept on file in the Business Office as they are received. Budget Managers are encouraged to respond promptly to all email notifications. Budget Managers who have not responded to the email notifications will be contacted for a final reminder.

#### **What to do when funds are unavailable (exceeds budget balance)?**

**If you were notified that your payment authorization or purchase order was not processed due to funds unavailable, follow the steps below:**

- (1) Contact your budget manager or designee;**
- (2) Contact the Purchasing Department to request a change order;**
- (3) Confirm that the change order was processed and ;**
- (4) Notify an Accounts Payable Specialist after the change order has been processed**

	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:
DATE DEVELOPED: 11/2006		REVISED DATE: 4/6/2010
SUBJECT: Texas Sales & Hotel Occupancy Tax		

### **Purpose**

To provide guidelines for Sales and Hotel occupancy taxes

### **Procedure**

All purchases should be planned for and made through the regular procurement channels using a Payment Authorization or a Purchase Order. Employees of HCDE are discouraged from personally making purchases of business supplies. However, the occasional case of an employee making a purchase of supplies on their P Card on behalf of the Department with prior authorization by the supervisor is acceptable. Employee should complete a tax exempt form for purpose of excluding taxes.

### **Texas Sales Tax**

Harris County Department of Education has been exempted by the State Comptroller's Office from paying Texas Sales Tax under Chapter 303, Local Government Code. HCDE employees are NOT exempt from paying the sales tax of other states.

**EXHIBIT 1**, TEXAS SALES AND USE TAX EXEMPTION CERTIFICATIONS may only be used for business purchases; *personal use is strictly forbidden*. TEXAS SALES AND USE TAX EXEMPTION CERTIFICATION forms are available on the 'HCDE portal' for the purpose of claiming this exemption. Presenting the form to a merchant will prevent you from being liable for paying sales tax.

The exemption certificate does not need a number to be valid; however, you may provide the eleven-digit HCDE Texas taxpayer identification number #17460012150 if the seller requests it.

Employees who have obtained prior approval from their supervisor for the purchase may complete, sign and date the TEXAS SALES AND USE TAX EXEMPTION CERTIFICATION form. The phrase to use following 'Purchaser claims this exemption for the following reason:' is: *Harris County Department of Education is a local governmental entity.*

Employees should follow the instructions above and make every effort to avoid the payment of Texas sales tax. Otherwise, the Assistant Superintendent for Business Services will make the decision of whether or not to reimburse the employee for sales tax paid.

A reasonable facsimile of **TEXAS SALES AND USE TAX EXEMPTION CERTIFICATION** is shown on the following page.

# TEXAS SALES AND USE TAX EXEMPTION CERTIFICATION

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

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

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

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

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

---



---



---

Purchaser claims this exemption for the following reason:

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

---




---



---

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

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

	Purchaser	Title	Date
---	-----------	-------	------

NOTE: This certificate cannot be issued for the purchase, lease, or rental of a motor vehicle.

**THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID.**

Sales and Use Tax "Exemption Numbers" or "Tax Exempt" Numbers do not exist. This certificate should be furnished to the supplier. Do **not** send the completed certificate to the Comptroller of Public Accounts.

### **Hotel Occupancy Taxes**

For the purposes of the hotel occupancy tax exemption, the State Comptroller considers HCDE a local government entity; therefore, HCDE is **NOT** exempt from paying hotel occupancy taxes. Hotel occupancy tax is NOT the same as Texas Sales tax.

Employees should NOT fill out hotel occupancy tax forms at the hotel, motel, condominium or bed and breakfast at which they are lodging while traveling on HCDE business.

The Harris County Department of Education Public Facility Corporation (HCDE-PFC) has been exempted from paying hotel occupancy tax; however, there are no employees of the HCDE-PFC. The HCDE-PFC is an entity separate from Harris County Department of Education; it has its own tax identification number.

There may be as many as four sources of hotel occupancy taxes levied on your hotel bill: state, county, city, and community venue tax.

An excerpt from the Texas Comptroller's website

<http://www.window.state.tx.us/taxinfo/hotel/faqhotel.html> is shown on the following page.

**NOTE: The following is provided for information purposes only. Updated April 28, 2010.**

---



## Window on State Government

Susan Combs Texas Comptroller of Public Accounts

Printed from <http://www.window.state.tx.us/taxinfo/hotel/faqhotel.html> website on 4-28-10.

### ***Hotel Occupancy Tax*** **Frequently Asked Questions – FAQs**

**Who has to collect hotel taxes?** A hotel's owner, operator, or manager must collect hotel taxes from their guests. The tax covers hotels, motels, and bed and breakfasts, as well as condominiums, apartments, and houses rented for less than 30 consecutive days. Hotel tax does not apply to condominiums, apartments, and houses leased for more than 30 consecutive days.

**What is the hotel tax rate?** The state hotel tax rate is 6%. Cities and some counties can each levy local hotel taxes, generally at rates varying up to 7%; sports and community venue projects can levy hotel taxes at rates varying up to 2%, except for Dallas County which can impose a hotel venue tax at a rate of up to 3%.

For example, in Houston there is 6% state tax, 7% Houston tax, 2% Harris County tax and 2% Harris County-Houston Sports Authority tax.

**Is there hotel tax on meeting or banquet rooms?** The 6 percent state hotel tax applies to any room or space in a hotel, including meeting and banquet rooms. Local hotel taxes, however, are due only on those rooms ordinarily used for sleeping.

There are no state or local hotel taxes on meeting and banquet rooms located in a building where no sleeping accommodations are provided.

**Who is exempt from paying state and local hotel taxes?** The following organizations and individuals do not have to pay hotel tax:

- the U.S. government and its employees traveling on official business;
- foreign diplomats issued a tax exemption card by the U.S. Department of State, unless the card specifically excludes hotel tax;
- certain Texas state officials with special hotel tax exemption cards (includes heads of state agencies, members of state boards and commissions, judicial officials at the district court level and above, state legislators, and legislative employees);
- **permanent residents, that is, guests who occupy a room for at least 30 consecutive days; any interruption in the term of occupancy will void the exemption (guests who stay 30 or more days and notify the hotel in writing of their intention beforehand are exempt from the day of notification, while guests who do not notify the hotel must pay the tax the first 30 days and are exempt thereafter);**

- some nonprofit entities and their employees traveling on official business; the entity must have received a hotel tax exemption letter from the Comptroller's office and the reason for the exemption must be written on the exemption certificate, for example, "exempt per Electric Cooperative Act, Utilities Code, Chapter 161" or "exempt per Telephone Cooperative Act, Utilities Code, Chapter 162."

**Who is exempt from paying only the state hotel tax?** Religious, charitable, and educational organizations (defined in Comptroller [Rule 3.161](#)) that have received a letter of exemption from the Comptroller's office are exempt from the 6% state hotel tax. The exemption extends to their employees traveling on official business, but does not apply to any local hotel taxes, which must be paid.


- Exempt religious organizations include nonprofit churches and their guiding or governing bodies, but does not include missionary organizations, Bible study groups, or churches made up only of family members.
- Charitable organizations include nonprofit organizations whose sole purpose is to provide food, clothing, drugs, treatment, or shelter directly to indigent and needy persons. Not included are 501(c)(3) not-for-profit corporations, social groups, professional or business groups, fraternal organizations, or similar organizations.
- Educational organizations include independent school districts, public and private elementary and secondary schools, and Texas institutions of higher education (public and private colleges, universities, junior colleges, and community colleges). *Not included are research organizations, home schools, and organizations that mainly provide support services to schools. (Italics added for emphasis.)*

**Are third-party contractors working for the federal government exempt?** No, third-party contractors completing contracts for the government or using federal grant money are not exempt and must pay state and local hotel taxes.

**Are local government agencies and their employees exempt from hotel taxes?** No, county and city agencies and their employees must pay state and local hotel taxes, and cannot request refunds of taxes paid.

For the online list of organizations that have received a letter of hotel tax exemption, visit the Comptroller's [Exemption Search](#).



	<p align="center"><b>ACCOUNTING PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference: <i>CH Local</i></p>
<p>DATE DEVELOPED: 04/19/10</p>	<p>REVISED DATE: 01/18/17</p>	
<p>SUBJECT: Processing direct deposit for employee reimbursements</p>		

### **Purpose**

To provide guidelines for processing employee reimbursements via direct deposit.

### **Procedure**

Effective September 1, 2010, all employee reimbursements will be processed via direct deposit. Employees must complete and submit a direct deposit form to the Business Office for processing. Employees hired after June 1, 2013 will be automatically signed up for direct deposit based on the information provided to Payroll. All direct deposit forms must accompany a voided check or a bank information form provided by their financial institution.

Direct deposit forms will not be processed without the employee's signature. Direct deposit must be canceled in writing. Direct deposit forms should not be faxed or scanned.

### **Cancellations:**


1. Employee must notify the Payroll Office.
2. Employee must complete a cancellation request form.

### **Separation from HCDE**

In the event of separation of employment from HCDE, the employee will receive a check.

### **Direct Deposit returns**

1. Once direct deposit is processed, it cannot be immediately retrieved. Please allow at least 24 to 48 hours for the bank to process the return.
2. In the case of closed accounts, HCDE must receive the funds back from the financial institution before the funds are reissued.
3. Employee should complete a new direct deposit form to reinstate direct deposit

	<b>ACCOUNTING PROCEDURES</b> HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference: CH (LOCAL) CH (LEGAL)
DATE DEVELOPED: 04/05/12		REVISED DATE: 04/29/2013
SUBJECT: Signature Authority Form		


### **Purpose**

To provide guidelines for Budget Managers and designee on approvals.

### **Procedure**

Only authorized individuals may commit HCDE to purchases, sales, leases or other arrangements with external parties or approve expenses incurred by employees. ***Any employee who makes a commitment without proper authorization may be personally liable for the transaction.*** The primary responsibility for ensuring that expenditures are accounted for and are for the benefit of HCDE rests with the budget manager. In the absence of the budget manager, the budget manager may designate an exempt employee(s) to approve transactions on his or her behalf.

All authorized designees must be listed on the signature authority form. Authorized designees must be exempt employees only. The signature authority form must be updated as needed when there are personnel changes and forwarded to the Business Office. Failure to follow proper procedures may result in a delay in processing payments.

	<p style="text-align: center;"><b>PERSONNEL PROCEDURES</b></p> <p style="text-align: center;">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p style="text-align: center;">Link to Policies (Press control and click)</p> <p style="text-align: center;"><a href="#"><u>HCDE Board Policies</u></a></p>
<p>APPROVED DATE: January 23, 2013      REVISED DATE:</p>		
<p>SUBJECT: Cellular and Smart Phone Allowance</p>		

Harris County Department of Education (HCDE) recognizes that the performance of certain job responsibilities may require use of a cellular (cell) phone or smart phone. HCDE offers a cell phone allowance to employees whose duties and responsibilities require them to carry a cell phone.

Employees who hold positions that include the need for a cell phone (see eligibility criteria below) may receive a cell phone allowance to compensate for business-related costs incurred when using their individually-owned cell phones. The allowance shall cover phone usage that is reasonably related to the needs of the Department. Simple convenience is not sufficient criterion and does not justify the need for a cell phone allowance.

### **Eligibility**

Employees whose job duties include the frequent need for a cell phone may receive a cell phone allowance. An employee is eligible for an allowance if at least one of the following criteria is met:

- The job function of the employee requires considerable time outside of the assigned office or work area and it is important to the Department that the employee be accessible during those times;
- The job function of the employee requires the employee to be accessible outside of scheduled or normal working hours;
- The job function of the employee requires the employee to have wireless data and internet access outside of scheduled or normal working hours; and/or
- The employee is designated as a “first responder” to emergencies.

An employee who occasionally requires a cell phone for business purposes is not eligible for an allowance; however, the employee may submit an itemized record of these expenses for reimbursement. In general, non-exempt employees are not eligible for a cell phone allowance without demonstrable need for an allowance being provided and approved by the Superintendent. Employees who are issued an HCDE cell phone or smart phone are not eligible for an allowance.

### **Approval of Allowance**

Division directors are responsible for identifying employees who hold positions that include the need for a cell phone. Each division is strongly encouraged to review whether or not a cell phone or smart phone device is necessary for the position, and to select an alternative means of communication when such alternatives would provide adequate and a less costly expense to the Department.

A cell phone allowance may be requested and approved by the division director by submitting a written recommendation to the Superintendent. The recommendation shall include justification related to the business need for the employee to have a cell phone for the employee’s assigned position. The division director’s Executive Team member must also concur with the division director’s recommendation.

Cell phone allowances are funded by the division submitting the request.

### **Payment**

The cell phone allowance is paid through payroll and is included in the employee's check or direct deposit. The allowance is reflected as a separate line item on the employee's pay voucher. This allowance does not increase the employee's base salary; nor is it included in the calculation of any Department benefits. Additionally, it is not considered part of the base pay used for calculating percentage salary increases. The allowance is taxable.

The cell phone allowance amount is determined each fiscal year based on the employee's approval for an allowance to cover both cell phone and data services; cell phone services only; or data services only. A standard rate is determined by the Department based on the service level approved, and the rate may change in any given fiscal year.

### **Employee Responsibilities**

The employee is responsible for purchasing a cell phone or smart phone device and for establishing a service contract with the cell phone provider of the employee's choice. The cell phone contract is in the name of the employee, who is solely responsible for all payments to the service provider. The employee purchases cellular phone service and equipment; determines plan choices, service levels, calling areas, service and phone features; and accepts termination clauses and payment terms.

HCDE does not accept any liability for claims, charges, or disputes between the service provider and the employee.

An employee receiving a cell phone allowance must be able to show, if requested by the employee's supervisor, a copy of the monthly plan charges and business-related use. If the employee terminates the cell phone plan or contract at any point, then the employee must notify the supervisor within five (5) business days to terminate the allowance.

### **Review Requirements**

The Division Director is responsible for an annual review of the business need for a cell phone allowance to determine if the allowance should be changed or discontinued. If the allowance requires either change or discontinuation, then the Division Director shall provide the Human Resources division with such written notification. The Division Director may cancel the phone allowance at any time and for any reason, as deemed appropriate by the director.

### **Cancellation**

The cell phone allowance shall not be considered permanent or guaranteed. An allowance agreement will be immediately cancelled if an employee receiving a cell phone allowance terminates employment with the Department. Any such allowance will also be cancelled if an employee changes positions and is no longer eligible for the allowance.

If the allowance is cancelled, then the employee remains responsible for any contractual obligations related to the employee's cell phone plan and any payments due to the cell phone provider.

No:



## TEMPORARY PERSONNEL REQUISITION FORM

### Requisition

Division:	Date of Request:
Date Needed:	Length of Assignment:
To Whom Will They report To:	Work Hours:
Lunch Hour:	Person requesting Temp:

Skills Needed:

Description of Performance Responsibilities:

### Budget Information

Budget Code	Account Code	Percentage

### Justification for Request

Please provide justification for request:

### Approval Signatures

Division Director:	Date:
Human Resources Director:	Date:

### For Internal Use Only


Temp Agency:	Job No:	Date:
Recruiter Processing Request:	Quoted Rate:	Estimated Total:
Temp's Name:		

**Distribution:**  
 Human Resources  
 Purchasing  
 Requesting Division

Revised: 10 29 2008

## **Payroll**

The Payroll Department is responsible for ensuring that all employees are paid accurately, timely and in accordance with all state, local and federal regulations.

 <div><b>Harris County</b> Department of <b>Education</b></div>	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <i>DEA (LOCAL)</i>
DATE DEVELOPED: 03/26/06		
REVISED DATE: 08/10/16		
SUBJECT: Payroll Distribution		

### **Purpose**

To provide guidelines on how employee's pay is processed.

### **Procedure**

Employees are paid based on their classification (exempt or nonexempt) and the compensation package or contract. Employees are required to work the minimum number of hours or days to fulfill the contract agreement. Employees who work beyond the contract agreement must obtain prior approval from the division director. All employees will be paid according to the scheduled pay dates established by HCDE. Employees pay is processed via direct deposit.

### **Pay Distribution**

All full-time employees are paid **1/24** of their annual salary each pay period. Part time employees are paid for hours worked two weeks behind based on an hourly or daily rate.

### **Standard Workweek**

The Department's standard workweek begins on Monday and ends on Sunday.

### **Due Dates**

All time and absences must be submitted to the Payroll Office via Time Clock Plus and/or on one of the Payroll processing exception forms every Monday by 4:00pm reporting for the prior work week.

### **Pay Frequency**

The Department's pay frequency is **semimonthly**. All employees are paid on the 15<sup>th</sup> and at the end of each month. For a detail listing of pay dates, refer to the Employee Handbook or the Business Services Calendar.

### **Employee Classifications**

Employees are classified as **full time** exempt or non-exempt. Part time hourly employees are classified as non-exempt. Employee classification is determined by the Human Resources Division.

### **Contract days**

Full time employees are required to work at least the minimum number of days in accordance with their contract.

### **Extra duty and Above Contract pay**

Non-exempt employees who are working extra-duty or above contract, must clock in and out of Time Clock Plus to record time worked. Exempt employees must complete and submit an approved Time Clock Adjustment form to the Payroll office every Monday by 4:00 pm. Employees must verify the job code with their manager to ensure that the correct budget code is

used to record time for a specific job. All above contract and extra duty pay rates must be approved by Human Resources.

#### Overtime Pay

All overtime pay will be processed on the following pay period after the work has been performed and the workweek as been closed. The time segment must be approved in Time Clock Plus before the week is closed and the required overtime form must be approved and submitted to the Payroll Office for processing.

For example: An employee works 2 hours overtime for the week of August 8-August 12, 2016. The workweek will be closed on Monday, August 15, 2016. Therefore, any overtime earned will be paid on the August 31, 2016 pay period.





## Business Services

**Advisory** March 22, 2019

To:	All Budget Managers
From:	Business Services
Re:	New Reports-Payroll Distribution Reports

In an effort to assist you with grant management and personnel budgeting, particularly with employee's pay distribution, the Business Office will provide you with a report on a pay period basis that will list all of your employees including those who are split funded (paid from more than one budget code), for your review. The reports are set in the crystal reporting system to be emailed the 1<sup>st</sup> and the 15<sup>th</sup> of the month to the budget manager and the payroll contact for each division.

### **What you need to do?**

When you receive the report, please review each employee on the list and the budget code(s) that the employee's pay is being paid from.

1. If the information is **correct**, please do the following:
  - a. Sign the report and forward it to your assigned Grant Accountant via email. Your signature certifies that the employees were paid from the correct budget code and no redistribution is needed.
2. If the information is **incorrect**, please do the following:
  - a. Correct the budget codes, sign the form and forward it to the Human Resources Division for processing before the next payroll so that the employee will be paid from the correct code in the future.
  - b. Contact the Business Services Division (your assigned Grant Accountant) to request a redistribution. The time and the account codes must be provided.

**If all your employees are coded 100% to one code, you are not required to submit the signed reports on a pay period basis back to the Business Service.**

If any of the employees are split coded (coded to more than one account code) you must submit the signed report on a pay period basis. The Staff Accountant is responsible for monitoring the submission of these reports.

Semi-annual certifications for 100% federal paid employees will continue to be submitted to Yolanda C. Davis. If you have any additional questions or concerns, please contact your assigned Grant Accountant.

Thank you.

**HCDE  
Business Services Staff Assignments  
FY 2017-2018**

**Stephanie Richie- Senior Accountant**

199-General Fund  
203-USRA Lunar Institute  
204-ACP  
383-Texas Virtual Schools Network (TxVSN)  
465-Local E-Rate  
485 Digital Trust Foundation  
599-Debt Service  
698-PFC  
699-PFC  
800-899-Fiduciary Funds  
807- AB School West Activity  
811-HighPoint East Activity  
812-Student Activity  
814-HighPoint North Activity  
815-Courtesy Committee  
816-AB School East Activity  
829-Blair Endowment  
711-Choice Partners  
753-Workers' Compensation  
799-Facility Support Services



**Donee Moore- Grant Accountant**


205-HeadStart Main  
206-HeadStart Training  
234-Adult Ed English Literacy/Civics  
479-HeadStart In-Kind  
496-HOGG Foundation  
498-Local Grants

**Fadi Khirieh- Grant Accountant**

215-Early Head Start Operations  
216-Early Head Start T&TA  
266-21st Century Cycle 8  
267-21st Century Cycle 9  
288-Partnership  
463-Houston Endowment  
467-City of Houston  
498-Local Grant

**Lynette Adams- Junior Accountant**

223-TANF Federal  
230-Adult Ed Federal  
381-Adult Ed State

 <div><b>Harris County</b> Department of <b>Education</b></div>	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <i>DEC (LOCAL)</i> <i>DEA (LOCAL)</i>
DATE DEVELOPED: 03/26/06		
REVISED DATE: 11/15/16		
SUBJECT: Submitting time worked and leave requests in Time Clock Plus		

### **Purpose**

To provide guidelines for submitting time worked and leave requests in Time Clock Plus.

### **Procedure**

Effective April 1, 2015, all time and absence reporting must be submitted and approved through the automated timekeeping system-Time Clock Plus. Paper time reports and absence reports used to record time worked and absences are no longer acceptable as the official document for payroll processing, reporting and retention purposes. However, employees and managers must use the new HCDE payroll forms for submitting and approving employee's time and absences that are considered **exception reporting** and for requesting to work overtime/comp. The HCDE payroll forms may be accessed on the Portal under the Time Clock Plus references.

#### **Who is required to use Time Clock Plus?**

All non-exempt (full and part time hourly, temporary and substitutes) employees must use the automated time keeping system for submitting all time worked and leave of absences. Employees are required to follow the procedures provided in the Timekeeping Guideline for submitting time worked and absences.

Exempt employees are not required to submit time worked through the automated time keeping system unless other instructions have been approved by Human Resources and/or directed by the Director of the division. All exempt employees are required to submit and obtain approval for all absences through Time Clock Plus.

Employees who are absent on extended leave are required to have time submitted in Time Clock Plus by his or her manager or an authorized person. Managers should enter a time segment in Time Clock Plus on behalf of the employee for each day until the employee returns to work. Managers should follow the instructions provided on the Leave Request instructions located on the HCDE portal. To ensure accurate reporting of an employee's attendance, managers should use the job code 690 and provide a note for all employees on extended leave.

#### **Official timekeeping documents**

Time and absence reporting exported from Time Clock Plus will serve as the official and permanent payroll records. **Retaining a log or a record of additional hours worked that have not been submitted in Time Clock Plus and approved by a supervisor is prohibited.** Failure to comply may result in disciplinary action up to termination.

***Authorized Signatures-Only the budget manager or authorized designee (usually supervisor or manager) is authorized to approve employee's time worked and absences. Budget managers should ensure that the signature authorization form for their division is updated at all times.***

#### Accounting and reporting time worked in Time Clock Plus

Time worked for non-exempt employees must be submitted through Time Clock Plus. Non-exempt employees must clock in, clock out for break (lunch) and clock out at the end of their scheduled work day. For purposes of efficient timekeeping, the timekeeping system has been configured to round to the nearest 15-minute increment to conform to HCDE policy. Leave is processed in 15-minute increments. **Employees are responsible for ensuring that all hours worked and absences are submitted accurately in Time Clock Plus each work day and should review their time reports at least twice each week to ensure that they have met the minimum number of hours required per work week.** All hours worked and absences must be approved by a supervisor or manager before 4:00 pm each Monday for the prior work week.

In addition, employees who work multiple jobs must ensure that they are using the correct job code at the beginning and ending of each shift. All incorrect entries submitted in Time Clock Plus must be edited and approved by a manager and accompany the appropriate exception reporting documents. The payroll staff cannot process time or absences without manager's approval.

#### Accounting for time away from work at conferences, meetings and workshops

All non-exempt employees must submit time worked in Time Clock Plus for each workday. Attending conferences, meetings and workshops away from the primary work place constitutes hours worked. Managers may enter a time segment in Time Clock Plus for non-exempt employees for the specific time the employee is attending a conference, workshop or meeting away from their primary work place. Exempt employees don't require a time segment to be submitted in Time Clock Plus for attending conferences, workshops or meetings away from the primary work place unless otherwise directed by the Division Director.

#### Above Contract Pay

Employees who are working above contract must be approved. Exempt employees must complete a Time Clock adjustment form/Above Contract to record and submit above contract hours to Payroll for processing. Non-exempt employees who are approved to work above contract must record hours worked in Time clock Plus. Non-exempt employees must clock in and out as required for a regular scheduled work day. **Divisions that use the contract schedules in Time Clock Plus to adjust and or edit time schedules for employees are responsible for ensuring that the segments represent the actual time worked to avoid any overpayments or docks from employee wages.** All hours worked above contract must be approved and submitted to the Payroll Office every Monday by 4:00 pm for processing.

#### Missed Punches

A missed punch will be recorded in Time Clock Plus if an employee fails to Clock in or Clock out during the course of a workday. If a missed punch occurs, employees should contact the division's verifier or manager immediately. **Also, when an employee clocks in after a missed punch has occurred, the employee should respond YES to the question asked "Do you want to record a missed punch".** Managers should follow the following steps to correct a missed punch:

1. Edit the segment to show the correct in or out time.
2. Right click on the segment and click on Approve the missed punch.
3. Right click on the segment and click on Approve and then management.

A consistent edit of missed punches may be cause for disciplinary action up to termination. Employees should refer to the Timekeeping Guidelines for details.

### Conflicting segments

A conflicting segment is an error that will occur if an employee's clock in or clock out time overlaps the time submitted on an approved leave request. For example, if an employee clocks in at 8:00 am and previously submitted and received approval for a leave request on the same day from 10:00 am to 11:00 am but the employee did not clock out until 10:15 am, a conflict will occur. This will require a manager to edit the leave request to reflect the correct clock out time.

### Reporting Overtime

All overtime must be approved prior to accumulating hours physically worked over 40 hours in a workweek (Monday-Sunday). Employees are prohibited from working beyond 40 hours in a workweek without prior approval. **NEW-Effective February 1, 2017 Overtime/Compensatory time approvals must be completed in Time Clock Plus. Paper approvals are no longer acceptable, unless circumstances disallow the approval. Please refer to the Overtime/Compensatory Time Reference sheet** for instructions on how to allocate overtime or compensatory time to an employee's time segment, once the employee has physically worked over 40 hours in a workweek.

For purposes of calculating overtime **premium**, an employee must **physically** work 40 hours during a work week **not** a pay period. For example, if an employee works a total of 39 hours in the first week of a pay period and works 41 hours the second week, the employee will be docked for the 1-hour short in the first week, unless the employee uses accrued leave, and the employee will be paid one hour of overtime premium for the second work week in the pay period. An employee's time worked may not be averaged over 2 separate work weeks in considering overtime premium.

### Split Work Week

An employee may not carryover hours worked from one work week to another to apply overtime unless there is a "**Split work week**". For example:

Jan 14 <sup>th</sup>	Jan 15 <sup>th</sup>	Jan 16 <sup>th</sup>	Jan 17 <sup>th</sup>	Jan 18 <sup>th</sup>	Jan 19 <sup>th</sup>	Jan 20 <sup>th</sup>
Mon	Tues	Wed	Thurs	Fri	Sat	Sun
10 hours	10 Hours	10 Hours	10 Hours	10 Hours		

Example: This employee worked a total of 50 hours Monday-Friday. However, because the pay period ended on Tuesday, January 15<sup>th</sup>, hours worked from Jan16-Jan 18 will be processed on the next pay period.

### Lunch Periods

HCDE provides a paid 30-minute lunch break for all employees who are scheduled and actually works an 8-hour work shift. All non-exempt employees must clock out (use Break button) for lunch each day. If an employee does not clock out for lunch, the 30-minute lunch period does not entitle the employee to leave 30-minutes before their schedule work period ends. Example: An employee works from 8:00am to 4:00pm. The employee does not take the 30-minute lunch break. The employee is not entitled to leave at 3:30pm. Managers are responsible for monitoring lunch breaks for eligible employees.

### Reporting and using compensatory time

Compensatory time is leave time given to an employee in lieu of paying wages for hours worked over 40 in a work week. The calculation for compensatory time is the same as applying overtime. The payroll office will deplete all compensatory time from an employee's leave bank before applying any other type of leave. **NEW-Effective February 1, 2017, all compensatory**

**time earned must be reported and approved in Time Clock Plus. The Overtime/Compensatory Time form will no longer be accepted unless approved circumstances are warranted.** All requests to use compensatory time must be submitted and approved through Time Clock Plus as a leave request.

Compensatory time may not be accumulated for more than 40 hours in a contract year (Aug-July). Compensatory time earned in excess of 40 hours will be paid out on the next regularly scheduled pay date after July. Employees should not accumulate compensatory time after July 15 nor should managers approve compensatory time in the month of July. All remaining compensatory time balances will be paid on or after August 15 of each contract year. **All hours worked above an employee's regular work schedule must be approved and documented in Time Clock Plus. Retaining an additional or separate log of hours worked is prohibited.**

#### Call-back Pay

An employee who reports to work for Call-back duties, must clock in and out for the hours worked in Time Clock Plus. The employee should use the job code designated for Call back duties. A Call Back Pay adjustment form must be submitted to payroll for processing. Payroll will apply the call-back hours (4 hours) if the actual time worked is less than the four-hour minimum. Note: If Call back hours plus regular work hours is greater than 40 hours in a work week, only the actual hours physically worked will count towards overtime hours.

#### Employees working at two or more rates for two separate job duties

An employee who works two or more jobs with different pay rates during a workweek, will be compensated using the weighted average or blended rate overtime methods. A new regular rate of pay will be determined by taking each job rate of pay and multiplying it by the number of hours worked to get the total compensation. Then, to get the premium rate, all overtime hours will be multiplied by the regular rate time .5 to get the total compensation for overtime due. The gross wages for that workweek will be the total compensation of all hours worked with respect to the new determined regular rate plus the premium for all overtime hours.

#### Deminimus Time Rule

For purposes of accurate and consistent time reporting, HCDE recognizes 7 minutes as insignificant when rounding the calculation for hours worked. An employee who clocks out for work 8 minutes after their regular scheduled work shift is considered late and the employee will be charged 15 minutes of leave time. If an employee clocks in 8 minutes before their regular scheduled work shift, the employee will accumulate 15 minutes of work time. Employees are prohibited from clocking in early unless prior approval has been granted.

#### Revised time and absence reporting

Revisions made to employee's time reports or absences from the prior workweek must be edited and approved in Time Clock Plus before 4:00 pm the following Monday. In addition, all edits and revisions to time segments must be supported by the appropriate payroll form (Leave Exception Form and/or Time Clock Adjustment Form) for exception processing. If the work week has been closed and the revision has not been submitted to the Payroll Office, the employee may receive a LWOP or be docked and the employee will have to wait until the next regular scheduled payroll to revise any time or absence reporting. **Once a leave request has been approved, submitted, processed and updated in the employees leave bank, the employee may not change the type of leave on the request.** Please refer to Board Policy regarding changing leave types on leave requests. <http://pol.tasb.org/Policy/Code/578>.





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

## Time Clock Quick Reference Guide

### Time Clock

#### Clocking In

1. Press the green **Clock In** button
2. Enter your employee number or wave your badge

#### Lunch Break

3. Press the **Start Break** button
4. Enter your employee number or wave your badge
5. When returning from lunch, press the green **Clock in** Button and enter your employee number

#### Clocking out

6. Press the red **Clock Out** button
7. Enter your employee number or wave your badge



### Tel Clock

#### Clocking in

1. Dial 713-696-3103 or ext. 3103, enter your employee Number, and then press the #key
2. Press **1** to clock in

#### Lunch Break

3. Dial 713-696-3103 or ext. 3103, enter your employee Number, and then press the #key
4. Press **3** to go to lunch

#### Clocking out

5. Dial 713-696-3103 or ext. 3103, enter your employee Number, and then press the #key
6. Press **2** to clock out



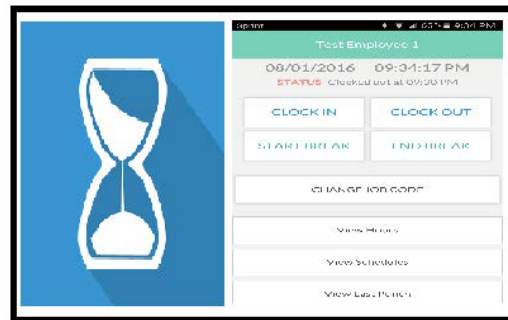
### Mobile App Clock

#### Clocking in

1. Open the previously configured application (For Assistance call the Help Desk)
2. Select **Clock In**
3. Select **Continue**

#### Lunch Break

4. Select **Leave on Break**
5. Select **Continue**
6. When returning from lunch, select the **Return from Break** and Continue



#### Clocking Out

7. Select the **Clock Out** button and **Continue**

### Web Clock

#### Clocking In

1. Go to <https://tcplus-v7.hcde-texas.org>
2. Enter your employee number
3. Select **Clock In**
4. Press **Continue**


#### Lunch Break

5. Enter your employee number
6. Select **Go on Break**
7. When returning from lunch select **Return from Break**
8. Press Continue

#### Clocking out

9. Enter your employee number
10. Select **Clock Out**
11. Press **Continue**



	<p style="text-align: center;"><b>PERSONNEL PROCEDURES</b></p> <p style="text-align: center;">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p style="text-align: center;">Link to Policies (Press control and click)</p> <p style="text-align: center;"><a href="#"><u>HCDE Board Policies</u></a></p> <p style="text-align: center;">DC DEA</p>
<p>APPROVED DATE: December 1, 2014      REVISED DATE: January 12, 2015</p>		
<p>SUBJECT: Timekeeping Guidelines</p>		

The purpose of this procedure is to provide time and absence reporting requirements for all employees of Harris County Department of Education. Non-exempt employees are required to have a record of hours worked. This record will serve as the official time record for employee compensation. HCDE uses an electronic timekeeping system called TimeClock Plus to capture and record employee's work time and absences. The electronic time keeping system allows employees to accurately monitor and account for all hours worked, leave taken, and it enables the Department to efficiently process payroll.

Effective January 16, 2015, Harris County Department of Education's electronic timekeeping system, TimeClock Plus, will serve as the official system for recording hours worked. It also serves as the official system for tracking attendance for non exempt employees (including part time and substitutes) as well as for recording the attendance of exempt employees.

### **Official Time Records**

The TimeClock Plus electronic timekeeping system and related HCDE payroll forms are the official basis for recording hours worked for all non-exempt employees. HCDE payroll forms include:

- Call Back Pay Form
- Overtime and Comp Time Approval Form
- Leave Exception Form
- Time Clock Adjustment Form

### **Initial Set-Up**

The Human Resources Division enters employee information into Pentamation, assigns employee identification numbers, and issues employee identification badges. Employee data is then exported to TimeClock Plus for identifying hours worked by employees. Human Resources will verify and make updates to employee's data in TimeClock Plus, as needed. The Technology Division enters and maintains information on the employees who have been assigned and authorized as Verifiers, Managers, or Administrators in the TimeClock Plus system.

### **Employee Identification Numbers**

Every HCDE employee is assigned an HCDE identification number (employee number) upon hire. The HCDE identification number is not the employee's Social Security Number. The identification number is assigned by the Pentamation system, is unique to each employee, and is used for identification purposes throughout the Department.

### **Clock In/Out Requirements**

Employees are expected to report to work according to their assigned work schedule. Failure to clock in at the beginning of the assigned work schedule will be recorded as a *missed in-punch*.

Employees shall clock out at the end of the scheduled work time or at any time during the day in which the employee is not on duty (e.g., leaving the work place for personal reasons, medical appointments, etc.) Failure to clock out is recorded as a *missed out-punch*.



Under certain conditions (such as trainings at an off-site location when an employee cannot clock in at their worksite, the employee should report time worked to the division supervisor or director using the Time Clock Adjustment form so that their time worked can be manually entered.

Employees may clock in and out using one of four methods authorized by the Department:

- Time Clock
- Tel Clock
- Mobile App Clock
- Web Clock

Employees may be restricted by the division director as to the method to use for clocking in and out based on the employee's assigned division, campus, center, or work location. An employee's failure to use the method approved or authorized by the employee's assigned division shall result in disciplinary action.

The timekeeping system has been configured to round time for non-exempt employees. Clock in/out time from 1 to 7 minutes will be "rounded down", and thus not counted as hours worked, but employee time from 8 to 14 minutes will be "rounded up" and counted as a quarter hour (15 minutes) of work time.

***Example #1:***

An employee is scheduled to work from 8a.m. to 4p.m. The employee arrives to work and clocks in at 7:55am. The system will round the employee's start time to 8a.m. At the end of the work day, the employee clocks out at 4:03p.m. The system will round the employee's end time to 4:00p.m. The employee will show 8 hours worked this day.

***Example #2:***

An employee is scheduled to work from 8a.m. to 4p.m. The employee arrives to work and clocks in at 7:50am. The system will round the employee's start time to 7:45a.m. The employee clocks out at the end of the work day at 4:08p.m. The system will round the employee's end time to 4:15p.m. The employee will show 8 hours and 30 minutes of time worked on this day.

**Lunch Breaks**

A thirty-minute paid lunch break is given to any employee (full or part-time) as long as the employee is scheduled to work an eight hour day. A thirty-minute lunch break is considered paid time. Non-exempt employees are required to clock out when going on lunch break and clock in upon returning from lunch break. Lunch breaks longer than 30 minutes will require the employee to work a quarter hour longer to allow for rounding.

***Example:***

Employee clocks in at 7:05am, goes on lunch break at 11am, clocks in from lunch break at 11:40am and clocks out at the end of the work day at 3pm. The employee will record only 7.45 hours of work time for this day. Because time is recorded in 15-minute increments, the employee will be short time by 10 minutes and will have to make up 15 minutes of work time. If approved, the employee can work until 3:15pm or use 15 minutes of leave time.

**Multiple Job Codes**

If an employee has more than one position within the Department, the employee will be assigned a separate job code for each non-exempt position. It is the responsibility of the employee to ensure that they are clocking in using the correct job code. If an employee is

unsure as to which job code to use, the employee should contact his/her supervisor or Human Resources for assistance.

Employees who have clocked in incorrectly using an incorrect job code will need to complete a Time Clock Adjustment form and submit to their manager prior to the close of the pay period to ensure the correct coding of pay.

### **Requesting/Using Leave**

Exempt and non-exempt employees who are eligible for leave must use the TimeClock Plus Web Clock to request and receive approval for leaves and absences. Leave requests and notices of absences must be completed by the employee prior to the end of the pay period in order to be included on their pay check. Leave submitted after the close of a pay period will require a Leave Exception Form be submitted and will be adjusted or paid on the next regularly scheduled pay period.

Employees are responsible for monitoring their leave balances. Leave balances may be viewed through the Employee Access Center in the Leave Information section. Leave should be requested and approved before the employee takes time off. The employee should follow the instructions (located on the HCDE portal) for requesting leave and use the appropriate legends in the notes section to specify the leave type (PNDL-personal non-discretionary leave, PDL-personal discretionary leave, V-vacation, etc).

If an employee's time report does not record 40 hours in a work week or an absence request is not submitted and approved or the employee has no available leave or compensatory time available, then the employee's pay will be docked.

### **Holidays**

A Board approved holiday is a non-paid day. If an employee is not scheduled to work on a day designated as a holiday, time or absences should not be entered or submitted in TimeClock Plus. If an employee is scheduled to work a day designated as a holiday, the employee is expected to clock in/out as the employee would on a regularly scheduled work day.

### **Unreported Hours**

All hours worked by a non-exempt employee must be reported using the TimeClock Plus timekeeping system. Any time spent working while not clocked in is strictly prohibited. Employees are required to clock in before performing any work and are not permitted to clock out until all work has stopped. Non-exempt employees may not volunteer to continue working at the end of their work schedule, take work home to complete on the weekend or in the evening, or check, read, or review work-related email outside of regularly scheduled work hours.

### **Work Week Close Out**

For purposes of Fair Labor Standards compliance, the regular workweek, which begins on Monday and ends on the following Sunday, is defined as seven consecutive days beginning at 12:01am on Monday morning and ending at 12:00pm (Midnight) on the following Sunday night.

Employees are responsible for verifying their time records and should report any discrepancies or concerns to the Verifier or Manager for the employee's assigned division as soon as possible. Managers should follow the Payroll Processing Schedule for deadlines for approvals and final submission of payroll documents.

### **Processing of Electronic Time Reports (Due Dates)**

Time reports are due and submitted to Payroll according to the Business Office Payroll Processing Schedule. The Payroll Processing Schedules are posted on the HCDE portal. Verifiers and Managers must resolve all missed punches and schedule conflicts, reconcile and enter all leave taken, and review clock hours for staff. It is imperative that employees complete

any necessary adjustment forms and enter leave requests in a timely manner. All unresolved missed punches and unapproved time reports will not transfer to payroll and will cause an employee to not be paid.

### **Back-Up Verifier**

Division directors must designate an individual to serve in the absence of the division's primary or regular Verifier. When necessary, the Back-Up Verifier will perform the duties of the Verifier and ensure that procedures are followed and that all reporting is timely. ***Under no circumstance shall the Verifier assume the role of the Manager, or make revisions to their own time record in TimeClock Plus.***

### **Back-Up to Manager**

Division directors should designate an individual to serve as a Back-Up Manager in the absence of the division director, to perform the duties of the Manager, and to ensure that procedures are followed, and that all reporting is timely. In most cases, the back up to a Manager would be the manager's supervisor.

### **Docked Pay**

Each work week stands alone. Employees may not be absent one workweek and make up the time in another workweek. When an employee is absent any part of a work day or work week, then employees must make up time by using available leave or compensatory time.

With prior approval, an employee may be allowed to make time up during the week in which the employee is short of fulfilling a 40 hour workweek. If an employee does not have leave available, then the employee's pay will be docked.

Unauthorized absences, chronic absenteeism, tardiness and failure to follow procedures for reporting an absence may be cause for disciplinary action, up to and including termination of employment. In addition, excessive absences are a reason for termination of employment. *Excessive* is defined as absences that are not in compliance with policies and procedures for taking available local, state or federal leave. See Board Policy DEC – Compensation and Benefits – Leaves and Absences or the Employee Handbook for more information related to employee leave benefits.

### **Overtime**

All overtime is to be planned and approved in advance by the supervisor. Employees are not to work overtime without prior approval. Employees must obtain prior approval by using the *Overtime and Compensatory Time Request* form. Failure to obtain prior authorization will lead to corrective action. Please refer to the Overtime and Compensatory Time Procedure located on the HCDE portal for additional information related to overtime.

An employee's work schedule may be modified by the supervisor prior to the end of the work week to reduce overtime.

### **Time Clock or Computer Malfunction**

If an employee is unable to clock in or clock out because of a time clock or computer malfunction, it is the employee's responsibility to immediately notify the Verifier or Manager. The employee should submit a TimeClock Adjustment form with the missed clock-in or clock-out time. The Verifier or Manager will note the reason in TimeClock Plus when entering the missed data and will contact the Technology Helpdesk to report equipment problems.

### **Falsification, Tampering, and Unauthorized Viewing**

The following actions are prohibited and are grounds for disciplinary action, up to and including termination of employment:

- Clocking-in or out for another employee
- Interference with another employee's use of the TimeClock Plus system
- Unauthorized viewing of another employee's time in the TimeClock Plus system
- Any attempt to tamper with timekeeping hardware and software

## **Enforcement**

Employees who fail to clock-in and out, and fail to report and request absences, will be subject to disciplinary action as follows:

### **First occasion:**

- Counseled (verbal warning) to ensure that time reporting requirements are understood
- Advised of the consequences of further infractions
- Provided a copy of the Timekeeping Guidelines

### **Second occasion:**

- Receive a written disciplinary warning to be placed in the personnel file
- Be subject to spot checks by their supervisor during the 30-day period following the infraction
- Review the timekeeping training video

### **Third occasion:**

- Meet with supervisor and division director to review infraction
- Receive a second written disciplinary warning to be placed in their personnel file

### **Fourth occasion:**

- Recommendation will be made for termination of employment

## **Contacts**

For information on timekeeping procedures, payroll reporting or employee leave, please contact your supervisor or the Payroll Office at [HCDEPayroll@hcde-texas.org](mailto:HCDEPayroll@hcde-texas.org).

For technical issues, to change employee information, or to report equipment problems, please contact the Technology Helpdesk at ext. 1300.

For information regarding an employee's status (exempt or nonexempt) or other demographic information, please contact the Human Resources division.



## Time Clock Adjustment Form

Employee Name: \_\_\_\_\_

Position: \_\_\_\_\_

Employee ID#: \_\_\_\_\_

Division: \_\_\_\_\_

Date of Adjustment: \_\_\_\_\_

Budget Code: \_\_\_\_\_

☐ Above Contract Pay  
(Exempt Status Only)

☐ Revised Entry

☐ New Entry

Time: \_\_\_\_\_ Clock In at the Beginning of the Work Day

Time: \_\_\_\_\_ Clock Out for Lunch

Time: \_\_\_\_\_ Clock In from Lunch

Time: \_\_\_\_\_ Clock Out at the End of the Work Day

\_\_\_\_\_ Total Hours/Days (Note: Days must be specified  
below: example Monday, May 15, 2015)

Reason for Adjustment: \_\_\_\_\_

I acknowledge by signing below that I understand that I am required to clock in at the start of my workday, out at lunch, back in at return from lunch and out at the end of my workday using the electronic time keeping method authorized by my division. Not clocking in/out as required may result in disciplinary action, up to and including termination of my employment.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

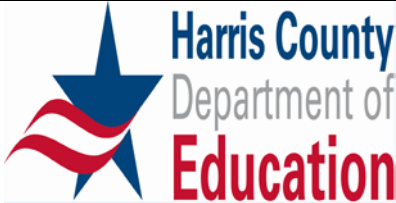
Time Clock Adjustment: [ ] Approved [ ] Not Approved

Comments: \_\_\_\_\_

\_\_\_\_\_  
Supervisor's Signature

\_\_\_\_\_  
Date

**Completed form to be maintained by the employee's division and provided to payroll if requested for audit purposes or to report hours worked that were not submitted and recorded in TimeClock Plus. Pay will be process on the next regular scheduled pay date.**

	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  DEC (LOCAL)
DATE DEVELOPED: 03/26/06		REVISED DATE: 03/11/15
SUBJECT: Processing employees leave of absences		

### **Purpose**

To provide guidelines for processing employees leave of absences.

### **Procedure**

Employees are encouraged to review and comply with the leave policies provided in the Employee Handbook and Board policy <http://www.tasb.org/Policy/Code/578>. All employees who are eligible to accrue leave will accrue leave on a monthly basis. Eligible employees are awarded personal leave and vacation. Accrued leave will be posted to the employee's pay stub on the first pay period of the following month. **Leave must be available and posted to the employee's leave balance before taken.** All leave requests must be approved by department heads through Time Clock Plus. Employees should refer to the Employee Access Center (EAC) for leave balances.

Employees are responsible for requesting, monitoring and confirming all approved leave requests submitted through Time Clock Plus. Managers should respond to employee's emails regarding leave requests so that the employee's leave can be approved and recorded on the employee's time report in a timely manner. If an employee leave request is not submitted and approved through Time Clock Plus, the employee may be docked. Employees should follow the instructions provided on the Leave Request Instruction sheet located on the Portal. Leave of absences (personal and vacation) can only be taken in increments of 15 minutes (effective March 2012), unless the employee is on leave under FMLA.

**Authorized Signatures**-Only the budget manager or authorized designee (usually supervisor or manager) is authorized to sign employee's time and absence reports. Budget managers should ensure that the signature authorization form is updated at all times.

### **Official document**

All time and absences submitted and approved through Time Clock Plus and processed in the Payroll Office will be considered the official and permanent records. **Retaining a log or records of additional or separate time worked that has not been documented on a time report and approved by a supervisor is prohibited.** Failure to comply may result in disciplinary action up to and including termination.

### **Processing Leave/Absences**

Employees must submit a leave requests in Time Clock Plus using the appropriate leave code. Receiving a confirmation of approval is recommended. Note that employees leave is processed two weeks behind. For example, absences reported and processed from the 1<sup>st</sup> through the 15<sup>th</sup> of the month are reflected on the employee's pay stub on the last pay period of the month (usually the 31<sup>st</sup>). Absences reported and processed from the 16<sup>th</sup> through the end of the month are reflected on the employee's pay stub on the first pay period of the following month (usually

on the 15<sup>th</sup>). Leave time must be available and posted to the employee's leave balance before taken. If leave is not posted and is unavailable to process, the employee may receive a LWOP.

#### Coding of Leave/Absences

Employees should only use the job codes as provided in the Leave Request Instructions. Only the job codes provided will be accepted and processed through payroll. Failure to use the correct job code may result in inaccurate payroll processing.

#### Types of Leave

Refer to the Employees Handbook for a list of leave types.

#### Accrued Personal Leave

Eligible employees must work at least 10 days in a month to accrue leave. Employees who are eligible to earn personal leave will receive ½ Local PL and ½ State PL each month during the fiscal year (Aug-Sept).

Employees who work 11 months and are eligible to earn personal leave will receive ½ local PL and ½ state PL in the months of August through May, plus 1 full day in the month of June for a total of 11 PL days.

Employees who work 12 months and are eligible to earn personal leave will receive ½ local PL and ½ state PL in the months of August through May, 1 full day in June and 1 full day in July for a total of 12 PL days.

Personal/local leave is not transferable or compensated upon termination, unless the employee is retiring after five (5) years of service with HCDE.

#### LWOP (Leave without Pay):

The following scenarios may warrant a LWOP:

- The employee has no available leave;
- Policy violation;
- The discretion of the division director (personal discretionary leave not approved);
- The employee works less hours than his or her regularly scheduled work week requires.

Employees are prohibited from choosing LWOP when an employee has a leave balance available.



## Timeclock Plus Over time and /or Compensatory Designation

### Time worked above 40 hours in a given week:

When an employee physically works more than 40 hours in a workweek (Monday-Sunday), managers will have an option to pay the employee at (1) the overtime rate and/or (2) approve compensatory time for all hours physically worked over 40 in a workweek. **Physical hours worked** means that the individual was present at work. Leave hours are not counted towards the 40 hours to pay over time.

Showing 10 records of 10

Selected 0 records

<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Notes	Edited		Break Length	Time In	Actual Time In	Time Out	Actual Time Out	Hours	Shift Total	Week Total
<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Y		30p	10/31/2016 09:00 AM	10/31/2016 09:00 AM	10/31/2016 01:00 PM	10/31/2016 01:00 PM	4:30		
<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Y			10/31/2016 01:30 PM	10/31/2016 01:30 PM	10/31/2016 05:00 PM	10/31/2016 05:00 PM	3:30	8:00	
<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Y		30p	11/01/2016 09:00 AM	11/01/2016 09:00 AM	11/01/2016 01:00 PM	11/01/2016 01:00 PM	4:30		
<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Y			11/01/2016 01:30 PM	11/01/2016 01:30 PM	11/01/2016 05:00 PM	11/01/2016 05:00 PM	3:30	8:00	
<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Y		30p	11/02/2016 09:00 AM	11/02/2016 09:00 AM	11/02/2016 01:00 PM	11/02/2016 01:00 PM	4:30		
<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Y			11/02/2016 01:30 PM	11/02/2016 01:30 PM	11/02/2016 05:00 PM	11/02/2016 05:00 PM	3:30	8:00	
<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Y		30p	11/03/2016 09:00 AM	11/03/2016 09:00 AM	11/03/2016 01:00 PM	11/03/2016 01:00 PM	4:30		
<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Y			11/03/2016 01:30 PM	11/03/2016 01:30 PM	11/03/2016 05:00 PM	11/03/2016 05:00 PM	3:30	8:00	
<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Y		30p	11/04/2016 09:00 AM	11/04/2016 09:00 AM	11/04/2016 01:00 PM	11/04/2016 01:00 PM	4:30		
<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Y			11/04/2016 01:30 PM	11/04/2016 01:30 PM	11/04/2016 09:30 PM	11/04/2016 09:30 PM	8:00	12:30	44:30

### Option # 1: Approve Overtime Pay for ALL hours worked over 40 hours:



When an employee is PRE-authorized to work overtime AND the manager wants to pay overtime instead of comp time, the manager should approve all the segments as he or she currently.

### Option # 2: Approve for hours worked over 40 with Overtime Pay and Compensatory Time:







If the manager wants to split the overtime hours by (1) paying overtime pay on part of the hours and (2) approve comp time for part of the hours, the following steps should be taken.

### Applying Compensatory Time





1. First, select the segment with the additional hours worked, Right click or select the  and choose **Split Segment by Length**
2. Then, select the Split Icon  on the far left **to split the segment.**

Split	Delete	Length	Time	Break	Job Code
		08:00	In 01:30 PM Out 09:30 PM	Type << NONE >> Length N/A	Job Code 1060 - 240 DAY TECH/OPS Substitute for Select

3. **Once the segment has been split**, enter the length of time for the first split of hours. (In this scenario the 1<sup>st</sup> split is a part of the employee's regular hours and the employee should have 3:30 hours to complete 40 hours).

Split	Delete	Length	Time	Break	Job Code
		04:00	In 01:30 PM Out 05:30 PM	Type Lunch Length 0	Job Code 1060 - 240 DAY TECH/OPS Substitute for Select
		04:00	In 05:30 PM Out 09:30 PM	Type Lunch Length N/A	Job Code 1060 - 240 DAY TECH/OPS Substitute for Select

4. For the second split, if an employee has been **approved to earn compensatory time rather than overtime**, the job code should be changed to 670-Comp Time Earned.

Split	Delete	Length	Time	Break	Job Code
		03:30	In 01:30 PM Out 05:00 PM	Type Lunch Length 0	Job Code 1060 - 240 DAY TECH/OPS Substitute for <input type="text"/> <input type="button" value="Select"/>
		04:30	In 05:00 PM Out 09:30 PM	Type Lunch Length N/A	Job Code 670 - Comp Time Earned Substitute for <input type="text"/> <input type="button" value="Select"/>


- Click Save.


## Applying Compensatory and Overtime


Alternatively, hours worked over 40 in a work week may be paid with **both overtime and compensatory time**.

To select this option, follow the steps as above, but you will need include the overtime with the hours listed in the first split.











Using the example time segment above with 44.30 total hours for the workweek, the employee has earned 4:30 hours of overtime. The manager approved to pay 2 hours of overtime and 2:30 hours to be applied toward comp time.

- First, Select the segment with the additional hours worked, Right click or select the  and choose Split **Segment by Length**

- Then, Select the Split Icon  on the far left **to split the segment**

Split	Delete	Length	Time	Break	Job Code
		08:00	In 01:30 PM Out 09:30 PM	Type << NONE >> Length N/A	Job Code 1060 - 240 DAY TECH/OPS Substitute for <input type="text"/> <input type="button" value="Select"/>


- Once the segment has been split**, enter the length of time for the first split. (In this scenario this 1<sup>st</sup> split is still a part of the employee's regular hours. We will also add the additional 2 hours to this segment for the employees earned overtime)



Split	Delete	Length	Time	Break	Job Code
		05:30	In 01:30 PM  Out 07:00 PM 	Type Lunch Length 0	Job Code 1060 - 240 DAY TECH/OPS Substitute for 
		02:30	In 07:00 PM  Out 09:30 PM 	Type << NONE >> Length N/A	Job Code 670 - Comp Time Earned Substitute for 



- Next, select the 670 Comp Time Earned job code for the second segment.
- Click Save.

### Applying compensatory time when an employee worked on a non-work day

If an employee works on a non-work day, such as the weekend (Saturday or Sunday), you will not have to split the segment **if comp time is approved**.

- First, Select the segment that with the additional hours worked, Right click or select the  and select Edit
- Change the job code for that segment to 670 Comp Time Earned


Time in 11/12/2016  09:00 AM 

Time out 11/12/2016  01:00 PM 

Break type << NONE >>

Job Code 670 - Comp Time Earned

Rate 0.00

Substitute for << NONE >> 

Note

- Click Save



## Harris County Department of Education Time Clock Quick Reference Guide

### REQUESTING LEAVE

Used for:

1. Request to be absent
2. Notification of absences

Log on

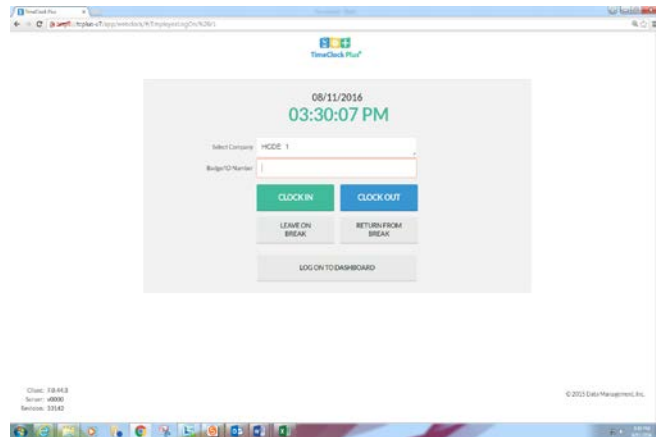
**External:**

<http://tcplus.hcde-texas.org/webclock30/login.aspx>

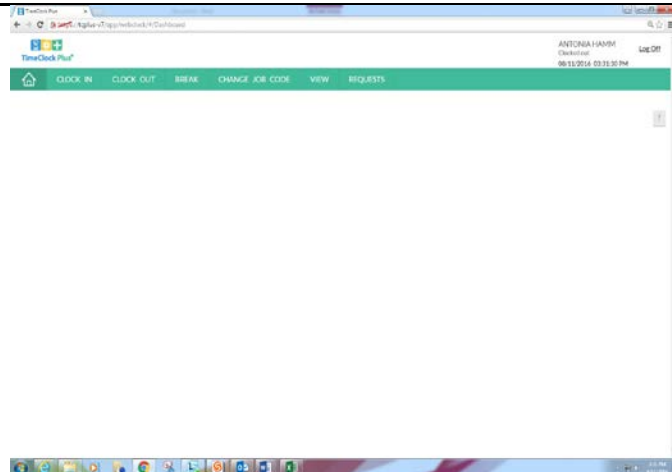
**Internal:**

<http://tcplus/webclock30/login.aspx>

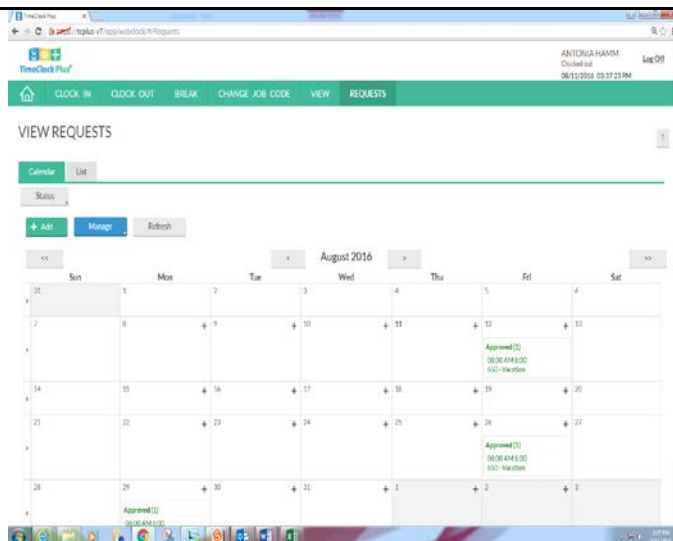
Enter employee ID number and  
CLICK on LOG ONTO DASHBOARD  
button



- CLICK on REQUESTS



- CLICK on the plus sign on the date you want to request off



- Enter the number of hours.

The screenshot shows the 'Add Employee Request' dialog box in the TimeClock Plus application. The 'Employee' field is set to 'ANTONIA HAMM (10415)'. The 'Date requested' is '08/15/2016'. The 'Start time' is '08:00 AM'. The 'Hours' field is set to '8:00'. The 'Days' dropdown is set to '1'. The 'Leave code' dropdown is open, showing options like 'No Accrual Bank', '620- Local Personal Discretionary', '620- Local Personal Non-Discretionary', '630- State Personal Discretionary', and '640- State Personal Non-Discretionary'. The 'Description' field is empty. The 'Cancel' and 'Save' buttons are at the bottom right.

- Enter **Leave Code** using the drop down box.
- Enter **Notes REQUIRED**
- CLICK on **SAVE**

This screenshot is similar to the previous one, showing the 'Add Employee Request' dialog box. The 'Leave code' dropdown is open, showing the same options. The 'Description' field is empty. The 'Cancel' and 'Save' buttons are at the bottom right.

The screenshot shows the 'VIEW REQUESTS' screen in the TimeClock Plus application. It displays a calendar view for August 2016. A request for '620- Local Personal Discretionary' is shown for August 15th, with a status of 'Pending (1)'. The request is for 8:00 hours. The 'Description' field is empty. The 'Cancel' and 'Save' buttons are at the bottom right.

Your supervisor will receive notification of your request via email.



### Leave Exception Form

Employee Name: \_\_\_\_\_

Position: \_\_\_\_\_

Employee ID#: \_\_\_\_\_

Division: \_\_\_\_\_

Date of Absence(s): \_\_\_\_\_

Time Requested: \_\_\_\_\_ hours \_\_\_\_\_ minutes

- |                          | <u>Code</u> | <u>Description</u>               |
|--------------------------|-------------|----------------------------------|
| <input type="checkbox"/> | 610         | Local Personal Discretionary     |
| <input type="checkbox"/> | 620         | Local Personal Non-Discretionary |
| <input type="checkbox"/> | 630         | State Personal Discretionary     |
| <input type="checkbox"/> | 640         | State Personal Non-Discretionary |
| <input type="checkbox"/> | 650         | Vacation                         |
| <input type="checkbox"/> | 660         | Comp Time                        |
| <input type="checkbox"/> | 690         | Other – Please add a note        |

Note: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Employee Signature


\_\_\_\_\_  
Date

Supervisor's Approval: ☐ Yes ☐ No

\_\_\_\_\_  
Supervisor Signature

\_\_\_\_\_  
Date

**Send completed form to payroll**

 <div><b>Harris County</b> Department of <b>Education</b></div>	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <i>CFEA (LOCAL)</i>
DATE DEVELOPED: 05/13/09		
REVISED DATE: 08/17/16		
SUBJECT: Processing Discretionary and Non-Discretionary leave		

### **Purpose**

To provide guidelines for processing discretionary and non-discretionary leave for purposes of time reporting.

### **Procedure**

All personal leave is recorded as personal discretionary (PDL) or personal non-discretionary leave (PNDL). For purposes of time and absence reporting, employees must specify personal discretionary or nondiscretionary personal leave types and choose whether the leave type should be deducted from local or state leave balances. Employees who exceed the maximum allowable personal discretionary days within a fiscal year will result in a leave without pay (LWOP). **Once leave is posted to the employee's leave balance, it may not be reversed or changed.**

Employees are responsible for monitoring their personal leave balances to avoid LWOP. It is recommended that all employees refer to Board policy website at <http://www.pol.tasb.org/Policy/Code/578> for details and restrictions regarding personal discretionary and personal non-discretionary leave.

#### **Personal Discretionary Leave (PDL)**

Personal discretionary leave is a personal leave type that an employee may request to use for personal reasons only. This leave type does not qualify for illnesses, family emergencies or scheduled medical related appointments. Personal discretionary leave may be taken with prior approval at the employee's discretion and does not require a documented reason. However, when submitting the leave request in Time Clock Plus, the employee is required to add a note. The employee may type "Personal" as the note.

Employees working in a 10 or 11-month position are not allowed to take more than 5 personal discretionary days in any school year. Employees working in a 12-month position are not allowed to take more than 6 personal discretionary days in any school year.

#### **Personal non-discretionary leave (PNDL)**

Personal non-discretionary leave is a personal leave type that an employee may request to use for personal or family illnesses, family emergencies or death in the immediate family as noted in Board policy. **Personal non-discretionary leave requires a documented reason to determine if the absence qualifies for personal non-discretionary leave. Personal non-discretionary leave has no maximum number of days that can be taken during the school year. However, absences exceeding 3 consecutive days must accompany a medical statement.**

#### Submitting personal leave requests in Time Clock Plus

All leave requests must be submitted using Time Clock Plus. When requesting personal discretionary leave (PDL), the employee should choose the job code 610 or 630. When requesting personal nondiscretionary leave (PNDL), the employee should choose the job code 620 or 640. Failure to use the correct job code may cause the employee's attendance to be processed inaccurately. Employees should enter a short note with all leave requests.

#### Leave unposted or unavailable

Employees are responsible for monitoring and ensuring that leave is available in their leave balance before taking leave. Personal leave is posted to employees leave bank on the 15<sup>th</sup> of each month provided that the employee has worked the required amount of days (10) in the month. Leave must be available in the employees leave bank at the time payroll is processing attendance. Leave is posted two weeks behind. If leave is unavailable when payroll processes attendance, employees will be docked, even if the employee has accrued leave for the month. Leave must be posted.





## TIME CLOCK PLUS FRIENDLY REMINDERS

### EMPLOYEES:

1. All nonexempt employees, including part time and substitutes must Clock in, choose "**Start Break**" for lunch, clock in for lunch break and Clock out at the end of your scheduled work day.
2. If you work multiple jobs, ensure that you change **job codes** for each time segment or work shift.
3. Ensure that you have accounted for all hours to complete your work schedule each week.
4. Submit all leave requests through Time Clock Plus as soon as possible. Paper leave requests are no longer needed. However, you must submit an approved **Leave Exception Form to the Payroll office** if your request was not submitted and approve in Time Clock Plus before the due date.
5. Ensure that all **time segments** are complete and leave requests have been submitted and approved in a timely manner. (Recommendation: Review your time reports periodically each week.)
6. Report and resolve **missed punches, conflicting segments** and other time clock issues to the Division verifier as soon as possible.
7. Get approval before you work any overtime. Have your supervisor complete a **Comp time/overtime form** before you begin working in an overtime capacity. (Note: Comp time/overtime accrues only after 40 hours of physical time worked.)
8. Substituting your **30 minute paid lunch** with work hours is not allowed. (Note: You may not skip a lunch break or take a shorter lunch break and leave early to make up or account for your regular scheduled work time.)

### VERIFIER:

1. Resolve all Time Clock Plus issues for employees in your division in a timely manner.

2. Ensure that time segments or leave requests are entered for employees who are on extended leave.
3. Review all time segments in **HOURS** (individual/group) for accurate reporting and approve all segments. (Recommendation: Visit timeclock plus periodically during the week.)
4. Adhere to the **Payroll Processing Schedule**.
5. Refer to the **Time Keeping Procedures** located on the Portal.

### MANAGERS:

1. Review and approve all time segments in Time Clock Plus in a timely manner.
2. Respond and take action on all employee leave requests.  
(Recommendation: Be aware of the automatic reports you receive requesting approvals.)
3. Ensure that all time clock issues are resolved before approving time segments. (Recommendation: Resolve all missed punches and conflicting segments.)
4. Ensure that all non exempt employees, including part time and substitutes are using the Timekeeping system to record all hours worked and lunch breaks.
5. Review all time segments for all employees for accurate reporting and approve all segments. (Recommendation: Visit Time Clock Plus periodically during the week).
6. Meet all payroll deadlines for approvals.

### Other Important Information:

1. A time segment consists of a series of clock in/out times and leave requests which completes a work schedule each day.
2. For requesting leave: Remember your employee ID number.
3. For accessing Time Clock Plus: You will need your **HCDE** email log in and password.

## **Time Clock Plus (TCP) Electronic Timekeeping System**

### **Frequently Asked Questions**

Q: How do I access TCP to report my hours worked?

A: There are four methods to report hours worked. Please refer to the Quick Reference Guide located on the HCDE Portal for further instructions. Please note that your employee ID number will be required.

Q: If I forgot to clock in, clock out for lunch or clock out at the end of the work day, what do I do?

A: Contact your immediate supervisor as soon as possible so that your missed punch can be edited to reflect the correct clock in, clock out or break time on your time report.

Q: How do I request time off?

A: Log onto TCP using the Webclock, Time Clock or Mobile App. Use the Time Clock Quick Reference Guide for Requesting Leave located on the HCDE Portal.

Q: If I requested time off that has already been approved and it appears on my time report but I changed my mind, how do I remove the leave request from my time report?

A: If a leave request has already been approved and the work week has not been closed, contact your Supervisor to remove the leave request from your time report.

Q: If I requested time off that has not been approved and I changed my mind, how do I remove or delete the request?

A: Log onto to TCP using the Web Clock, Time Clock / Mobile App then select Request. Click on Current Requests. Click on Remove and click OK.

Q: Can I request leave in less than one hour increments?

A: Yes, currently HCDE policy is that leave may be taken in 15 minute increments with supervisory approval. Please check with your supervisor for additional division requirements regarding leave and the amount of leave time an employee is allowed to take.

Q: How do I request to use Comp Time?

A: Follow the same process to request leave and select the comp time leave code 660.

Q: Do I have a choice to use all of the methods available to clock in and clock out?

A: No. Although there are four different methods available to clock in and clock out (Time Clock, Tel Clock, Mobile app Clock and the Web Clock), not all divisions, campuses or centers are allowed to use all four methods. Please contact your immediate supervisor for options available to you.

Q: If I want to change a leave code previously requested and the week is closed, what do I do?

A: Notify your immediate supervisor so that you can complete a Leave Exception form. If the week is closed, the change will not be corrected until the next regularly scheduled pay date. Leave cannot be changed from one leave type to another leave type after it has been posted to the employee's leave balances.

Q: What is a missed punch?

A: A missed punch is when an employee forgets to clock in, clock out or forgets to clock out for break.

Q: If I called in sick, what do I need to do to record my absence in TCP?

A: Follow the procedure for requesting leave when you return to work.

Q: What do I need to do if I do not have 40 hours recorded on my time report at the end of the work week?

A: You must request leave to make up the missed work hours or your pay will be docked for the equivalent time missing.

Q: If I am on FMLA or another type of extended leave how will my hours be recorded in TCP?

A: If you were not able to record your leave prior to the start date of your leave, your supervisor should record the leave for you on our time report.

Q: Where do I find the procedures regarding Time Clock Plus Timekeeping System?

A: Procedures regarding TimeClock Plus Timekeeping System may be found on the HCDE Portal.

Q: What do I do if I get an error message "conflicting shift"?

A: Contact your supervisor as soon as possible so that your shift can be edited. A conflicting shift can occur if your leave request time overlaps with your clock in/out time. For example: An employee requested leave from 1:00 pm to 4:00 pm. The employee's regular work shift is from 8:00 am to 4:00 pm. The employee clocks in at 8:00 am and clocks out at 1:15pm. This will cause a conflicting shift because the system shows that the employee's has a leave request from 1:00 pm to 4:00 pm. This shift will not show in edit hours until the conflicting shift has been edited. The leave request should be edited to show the leave request to be from 1:15 pm to 4:00 pm. In addition, the edited conflicting shift must also be approved.



**HARRIS COUNTY DEPARTMENT OF EDUCATION  
REVIEW OF SEMI MONTHLY PAYROLL COMPARISON REPORTS**

**WEEK ENDING OF \_\_\_\_\_**

**We have reviewed the payroll comparison report and associated supporting documents for accuracy and completeness. Our desk procedures and applicable manuals have been followed for compliance.**

**By signing this report, I further certify to the best of my knowledge and belief that the reports along with supporting documentation are true, complete, and accurate.**

**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)."**

---

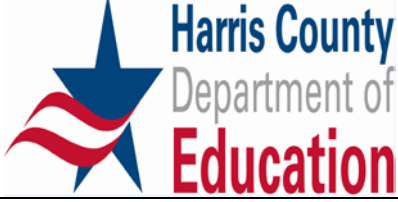
Accounting Manager

---

Chief Accounting Officer

---

Jesus J. Amezcua, PhD, CPA, RTSBA, Assistant Superintendent for Business Services

	<b>ACCOUNTING PROCEDURES</b> HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:
		DEC (LOCAL)
DATE DEVELOPED: 07/13/15		REVISED DATE:
SUBJECT: Time and effort guidelines		

### Purpose

To provide guidelines for the completion of time and effort (T&E) forms and required reconciliation of actual hours worked for split funded personnel.

### Procedure

The grant manager is responsible for determining which staff member salary, if any, will be charged to different funding sources. The grant manager will provide Human Resources (HR) and the Business Services (BS) department the employee's name, the percentages to be used and the funding sources. These employees must keep track of the hours worked for each of the funding sources using the time and effort excel form (see sample below) on a daily basis. This form is located on the Portal under Business Services forms.

HARRIS COUNTY DEPARTMENT OF EDUCATION					
PERIOD ACTIVITY REPORT (T & E)					
SPLIT FEDERALLY FUNDED PERSONNEL					
Name		Month			
<b>Directions:</b>					
1. Enter Funding Source and Percentage					
2. Place X by weekend dates.					
3. Enter hours worked per day for each funding source and/or absence hours paid					
4. Sign and submit to supervisor					
Funding Source	Fund 266	Fund 288		Absence	Total Hours
Percentage	90%	10%		Hours	
1	7	1			8
2	5	3			8
3	X	X			
4	X	X			
5	6.5	1.5			8
6	7	1			8
7	6.5	1.5			8
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
<b>Monthly Totals</b>	32	8	0		40
<b>Percentage</b>	80%	20%	0%		
<b>Total Hours Work:</b>	40				
I hereby certify that these are the actual hours worked for the programs reflected.					
Employee Signature			Date		
Supervisor Signature			Date		

At the end of each pay period, the employee will sign and submit the T&E form to the immediate supervisor for review and approval. The immediate supervisor will compare the actual hours worked to the estimated salary distribution submitted to Human Resources department (see reconciliation form below). If the difference is 10% or greater, (or less if indicated in the grant policies), the immediate supervisor will contact the HR and the staff accountant for salary redistribution to match the actual percentage of hours worked. This form is located in the portal under business services forms.

TIME AND EFFORT FOR SPLIT FEDERALLY FUNDED PERSONNEL RECONCILIATION				
Name		Month		
Position		Department		
Monthly Salary:	\$ 4,000.00			
Account Distribution:	2665-21-922-99-922 61190000	\$ 3,600.00		
	2885-21-922-99-922 61190000	\$ 400.00		
		\$ 4,000.00		
Budget/Payroll Distribution Expenditures:				
Funding Source	266	288		Grand Total
Percentage	90%	10%		100%
Monthly Salary	\$ 3,600.00	\$ 400.00		\$ 4,000.00
Time & Effort Actual Hours Worked:				
Funding Source	266	288		Grand Total
Percentage	80%	20%		100%
Monthly Salary	\$ 3,200.00	\$ 800.00		\$ 4,000.00
Reconciliation [Difference between Budget/Payroll Distribution & T&E]:				
Funding Source	266	288		Grand Total
Percentage	10%	10%		20%
Monthly Salary	\$ (400.00)	\$ 400.00	\$ -	
Grant Administrator		Date		

The budget manager will receive a staff salary distribution report (see sample report below) on a pay period basis for review and approval. If no corrections are needed, the budget manager must sign and return the executed document to the staff accountant for filing and supporting documentation. The grant manager must retain a copy for the permanent file. If corrections are needed, the procedure above must be followed.

Employee Name	EIN	Division	Pay Gr	Job Title	F/P	Budget Unit	Account	Percent
MAGALLAN, CLAUDIA	64817	CTR FOR AFTERSCHL SUM & EX	A1087	COMM & FAMILY ENG SPECLST	F	26652192299922	61190000	90.00%
MAGALLAN, CLAUDIA	64817	CTR FOR AFTERSCHL SUM & EX	A1087	COMM & FAMILY ENG SPECLST	F	28852192299922	61190000	10.00%
THOMAS, CEDRIC	66896	CTR FOR AFTERSCHL SUM & EX	A1087	COMM & FAMILY ENG SPECLST	F	26652192299922	61190000	90.00%
THOMAS, CEDRIC	66896	CTR FOR AFTERSCHL SUM & EX	A1087	COMM & FAMILY ENG SPECLST	F	28852192299922	61190000	10.00%

The review of the salary distribution on a pay period basis by the grant manager will insure that only allowable, allocable and eligible expenses are posted to the grant.



**HARRIS COUNTY DEPARTMENT OF EDUCATION  
PERIOD ACTIVITY REPORT (T & E)  
SPLIT FEDERALLY FUNDED PERSONNEL**

**Name** \_\_\_\_\_

**Month** \_\_\_\_\_

**Directions:**

1. Enter Funding Source and Percentage
2. Place X by weekend dates.
3. Enter hours worked per day for each funding source and/or absence hours paid
4. Sign and submit to supervisor

<b>Funding Source</b>	<b>Fund 266</b>	<b>Fund 288</b>		<b>Absence</b>	
<b>Percentage</b>	<b>90%</b>	<b>10%</b>		<b>Hours</b>	<b>Total Hours</b>
1	7	1			8
2	5	3			8
3	X	X			
4	X	X			
5	6.5	1.5			8
6	7	1			8
7	6.5	1.5			8
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
<b>Monthly Totals</b>	<b>32</b>	<b>8</b>	<b>0</b>		<b>40</b>
<b>Percentage</b>	<b>80%</b>	<b>20%</b>	<b>0%</b>		

Total Hours Worked 40

I hereby certify that these are the actual hours worked for the programs reflected.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Supervisor Signature

\_\_\_\_\_  
Date

# **TIME AND EFFORT FOR SPLIT FEDERALLY FUNDED PERSONNEL**

**Name** \_\_\_\_\_

**Month** \_\_\_\_\_

**Directions:**

1. Enter Funding Source and Percentage
2. Place X by weekend dates.
3. Enter hours worked per day for each funding source and/or absence hours paid
4. Sign and submit to supervisor

Funding Source	Fund 266	Fund 288		Absence Hours	Total Hours
Percentage	90%	10%			
1	7	1			8
2	5	3			8
3	X	X			
4	X	X			
5	6.5	1.5			8
6	7	1			8
7	6.5	1.5			8
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
<b>Monthly Totals</b>	<b>32</b>	<b>8</b>	<b>0</b>		<b>40</b>
<b>Percentage</b>	<b>80%</b>	<b>20%</b>	<b>0%</b>		

Total Hours Worked 40

**I hereby certify that these are the actual hours worked for the programs reflected.**

Employee Signature \_\_\_\_\_

Date \_\_\_\_\_

Supervisor Signature \_\_\_\_\_

Date \_\_\_\_\_



## Payroll Verification Checklist

### New Employees

- ☐ Have I obtained an employee number?
- ☐ Is the employee Exempt or Non-Exempt for purposes of Time Reporting?
- ☐ Has the employee submitted an *Authorization Agreement for Direct Deposit* to the Payroll Office?
- ☐ Have I requested and obtained an email address from Technology?

### Time and Absence Reporting

- ☐ Have I entered or verified all time segments in Time Clock Plus for all employees including employees on leave of absence?
- ☐ Are the most current Payroll forms being used?
- ☐ Do I have supporting documentation for all absences (i.e. Return to Work, Jury Duty Release)?
- ☐ Do I have approval forms for Over Time/Compensatory Time, Leave Exception or Payroll?
- ☐ Have I verified all Time segments for accuracy and cleared all missed punches and conflicting schedules?
- ☐ Have I obtained all necessary signatures on exception documents?
- ☐ Have I retained copies for my files?
- ☐ Have I notified the Payroll Office in the event that I am unable to meet the due date?


### Reporting Employees on Leave (FMLA, Worker's Comp, Temporary Disability, Administrative, Assault)

- ☐ Have I received notification from Human Resources?
- ☐ Have I entered time segments in Time Clock Plus?
- ☐ Is the employee's leave type recorded correctly in Time Clock Plus?
- ☐ Have I notified the Payroll Office of the employee returning to work?
- ☐ Upon returning to work, has the employee provided a *Release Notification* from the health care provider?

**Contact:**  
**HCDEPayroll@hcde-texas.org**

#### ***Business Services Mission Statement***

*To support the mission of Harris County Department of Education to exceed client expectations by maximizing fiscal resources and providing quality support services.*

 <b>Harris County</b> Department of <b>Education</b>	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <i>CFE (LOCAL)</i>
DATE DEVELOPED: 05/30/08		
REVISED DATE: 07/10/2017		
SUBJECT: Pay Distribution (during and after) extended leave		

### **Purpose**

To provide guidelines for the purpose of time reporting for employees on extended leave after all leave types have been exhausted.

### **Procedure**

Directors, Managers, Supervisors and Principals are responsible for accounting for all employees who are out on leave and accurately reporting their staff time worked or absences in Time Clock Plus. Employees must determine the type of leave to use during extended leave and submit their request to Human Resources. A leave calculation worksheet will be prepared by Human Resources after an employee has exhausted all leave and compensatory time. The salary calculation worksheet is used to determine the effects of the employee's future compensation. **An official notification of the first day the employee returns to work must be received in the Payroll Office and HR along with a medical release form.**

### **Pay distribution DURING extended medical leave and AFTER the employee has exhausted all available leave**

A determination of future compensation will be based on the following:

The employee salary earned from the beginning of his or her contract or the start of the school year will be subtracted from the employee's salary paid to date.

- (1) If the remaining balance of pay due is a positive balance, the employee will receive up to a maximum of his or her semi-monthly gross amount per pay period until the remaining balance is depleted.
- (2) If the remaining balance of pay is a negative balance, no further compensation will be disbursed. The negative balance will be subtracted from the employee's recalculated salary based on the number of days left in his or her contract when the employee returns back to work. An official notification of the first day the employee returns to work must be received in the payroll office and HR.

### **Salary Earned**

Salary earned is calculated based on the number of days physically worked and number of days compensated by the employee's usage of leave multiplied by the employee's daily rate of pay.

### **Salary Paid**

Salary paid is calculated based on the employee's semi-monthly gross (annual salary divided by 24 pay periods) multiplied by the number of pays received.

### **Remaining Balance of Pay**


Remaining balance of pay is determined by the total salary earned (based on the number of days physically worked and days compensated by the use of leave) minus the salary paid.

**Pay distribution AFTER employee has returned from extended medical leave**

A determination of future compensation will be based on the following:

Salary earned (number of days worked including personal leave and vacation used) minus salary paid to date will be divided by the remaining number of pay periods equals the new semi-monthly gross (future compensation).

Note: All salary calculations are based on the employee's gross pay before any voluntary and/or involuntary deductions have been deducted.

 <b>Harris County</b> Department of <b>Education</b>	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <i>CFEA (LOCAL)</i>
DATE DEVELOPED: 05/30/08		REVISED DATE: 07/19/2017
SUBJECT: Voluntary & Involuntary Payroll deductions		

### **Purpose**

To provide guidelines for processing employees payroll deductions.

### **Procedure**

The Payroll Office is required to process all involuntary deductions in accordance with the requesting agency rules and regulations. All involuntary deductions will be initiated and canceled only with written notification received from the agency. Employees should contact the requesting agency for further information regarding their involuntary deductions. Copies of notifications are available in the Payroll Office upon request.

### **Involuntary deductions**

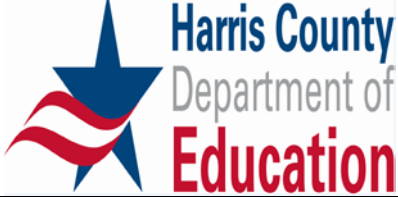
The following deductions **may not** be canceled at anytime by the employee:

- ✓ Garnishments
- ✓ IRS Tax Levies
- ✓ Child Support orders
- ✓ Student loans
- ✓ Certification program fees
- ✓ TRS contributions
- ✓ FICA/Medicare

### **Voluntary deductions**

Employees should contact the Human Resources division to request changes to the following deductions:

- ✓ Medical
- ✓ Dental
- ✓ Vision
- ✓ Cancer and or other types of insurance;
- ✓ Annuity / Retirement contributions; savings and other forms of investments;
- ✓ Badge replacement
- ✓ Employee Association fees (flower fund, Houston Chronicle, etc)
- ✓ Employee repayments because of overpayments, TRS deductions etc. (contact the Payroll Office).

	<b>ACCOUNTING PROCEDURES</b> HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference: DEA (LOCAL)
DATE DEVELOPED: 02/17/09	REVISED DATE: 07/19/2017	
SUBJECT: Direct Deposit		

### **Purpose**

To provide guidelines for participation in the direct deposit program.

### **Procedure**

Direct deposit is mandatory for **all** employees. Employees may elect his or her financial institution to have his or her pay direct deposited. Direct deposit forms and the required documentation should be submitted to the payroll office. Due to the personal data provided on the direct deposit forms, employees are encouraged to hand-deliver direct deposit forms or verify the receipt of the forms by payroll staff when using other methods of delivery. Cancellations or changes to an employee's direct deposit information require written authorization.

#### **Direct deposit in a financial institution**

Employees must complete a direct deposit form provided by the payroll office. Direct deposit forms and the instructions maybe accessed on the **HCDE Portal under Business Services Forms/Payroll Forms/Direct Deposit forms**. A preprinted voided check or a direct deposit information form provided by the financial institution which includes the employee's name, account number, and bank routing number is required and must be submitted for each account.

#### **Change request in a Financial Institution:**

- ✓ Contact the bank and follow the instructions given. If an employee's direct deposit is canceled due to suspected fraud, the employee should obtain the new account information from the bank.
- ✓ Complete a new direct deposit form and attached the required documentation.
- ✓ Forward the new direct deposit information to the payroll office immediately.

#### **E-Fund Payroll Card**

Effective July 2015, HCDE will no longer accept the E-fund Payroll Card administered by JP Morgan Chase.

#### **Additional accounts through direct deposit**

Employee's net pay may be disbursed into two (2) additional accounts other than his or her primary account. A new direct deposit form will be required before additional accounts can be processed.

#### **Direct Deposit Pre-notes**

All direct deposits are subject to go through an initial pre-note status. This process allows the payroll staff to verify all banking information. The initial pre-note process may require one pay period before the regular direct deposit processing is established. The employee may receive a paper check during the initial pre-note process.

#### Direct Deposit Returns

The payroll staff will notify employees of any direct deposit returns. Direct deposit returns due to closed accounts, will require the employee to complete a new direct deposit form. Direct deposit returns due to data entry or an accounting error will be corrected and a new direct deposit will be processed in a reasonable amount of time. All return direct deposits will require monies to be returned to the Department's bank account before another form of payment is processed.

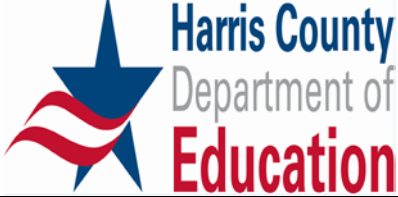
#### Canceling Direct Deposit

Employees must complete a **new** direct deposit form and submit to the Payroll Office as soon as possible. Cancellations via phone are not accepted. **The Payroll Office must receive all changes (cancellations and additions) to direct deposit information no later than 12:00 noon on the 2<sup>nd</sup> to be effective on the first payroll of the month and the 17<sup>th</sup> of the month to be effective on the last payroll.**

#### Employees not on Direct Deposit

Direct deposit is mandatory for all employees. Direct deposits will be monitored for noncompliance. Employees will be notified by the Payroll Office for noncompliance. Employees who do not comply with the procedure will be required to pick up his or her payroll check in the payroll office. Employees must submit their direct deposit information before checks are released. Employee's payroll checks will not be mailed.



	<b>ACCOUNTING PROCEDURES</b> HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference: CFEA (LOCAL)
DATE DEVELOPED: 06/25/08	REVISED DATE: 04/21/14	
SUBJECT: <b>W-2 Wage &amp; Tax Statements</b>		

### **Purpose**

To provide guidelines for understanding and processing of W-2 wage and tax statements.

### **Procedure**

All employees are required to receive a W-2 Wage & Tax Statement postmarked on or before January 31. Employees W-2 Wage & Tax Statements may be delivered electronically/ mailed to the current address on file with the Human Resources office. Effective January 2014, employees must complete the consent form to receive their W-2 via mail. Employees who do not complete the consent form will be able to access their W-2 through the Employee Access Center (EAC).

### **Steps for requesting a W-2 Wage and Tax Statements reprint**

Employees are encouraged to allow a reasonable amount of time (at least 7 business days) after January 31 to receive W-2's before requesting a replacement.

If an employee does not receive his/her W-2 Wage & Statement 7 business days after January 31, the following steps should be followed:

- ✓ contact your local postal service
- ✓ verify current address with Human Resources
- ✓ submit a request for W-2 wage and tax statement form to the Payroll Office
- ✓ make arrangements with a Payroll Specialist for pick up

**Note:** Upon request, each employee will receive current calendar year complimentary W-2 replacement 7 business days after January 31.

The Payroll Office will process all requests for replacements on **Wednesday** of each week. Request forms must be received by 4:30pm on Tuesday to be processed on Wednesday. Request forms received after 4:30pm on Tuesdays, will be processed the following Wednesday. There will be a \$10.00 charge assessed for each W-2 Wage & Tax Statement requested for prior years and after a complimentary copy has been issued. Employees may pay with cash, money order or by payroll deduction. Employees are encouraged to visit the Employee Access Center (EAC) for all payroll and leave related information.

### **Returned W-2 wage statements**

If an employee's W-2 wage and tax statement is returned to the Payroll Office with a forwarding address, it **will not** be forwarded. Employees will be required to pick up all undeliverable W-2 wage and tax statements in the Payroll Office. If undeliverable W-2 wage and tax statements are received in the payroll office for former employees, a written request will be required to forward the W-2 to another address.

### W-2 wage and tax statement discrepancies

If an employee disagrees with the information reported on his or her W-2 wage and tax statement, the employee should contact the Payroll Office. The employee will be required to complete a request form located on the HCDE Portal/Business Services Forms/Payroll/W2 to initiate research. It may take up to 2 weeks for research; however, if more time is necessary, the employee will be notified.

If an error was discovered on an employee's W-2 wage and tax statement by the Payroll Office **before** the submission of the file to the IRS, W-2 wage and tax statements will be corrected and reissued to the employee. If an error was discovered by the Payroll Office **after** the submission of the file to the IRS, a W-2c (a correction of an original W-2) will be processed. The employee will be required to file all issued W-2c's and the original W-2 wage and tax statement with his or her income tax return.

### Understanding your W-2 Wage and Tax Statements

All employees should retain a copy of his or her pay checks for future references and comparison with his or her annual W-2 wage and tax statement. The following is a detail description of what information is reported on an employee's W-2 wage and tax statement.

Box 1=Wages, tips & other compensation-Taxable Wages (gross wages minus any nontaxable or pre-taxed payroll deductions)

Box 2=Federal Income tax withheld (according to the employee's W-4)

Box 3=Social Security Wages-Gross Wages less tax deferred deductions (health, vision, dental and some cancer insurance and flex spending deductions)

Box 4=Social Security tax withheld-Social security wages multiplied by 6.2% (amts may vary by pennies).

Box 5=Medicare wages and tips-Gross wages less tax deferred deductions (health, vision, dental and some cancer insurance and flex spending deductions).

Box 6=Medicare tax withheld-Medicare wages multiplied by 1.45% (amts may vary by pennies)  
Effective January 2013, an additional 0.9% Medicare tax on Medicare wages and tips above \$200,000.00.

Box 9=Advance EIC payments- Effective January 1, 2011, this deduction is not reportable on employees W2 wage and tax statement.

Box 10=Dependent Care benefits (Flexible dependent care deductions), not Flexible Spending

Box 12=

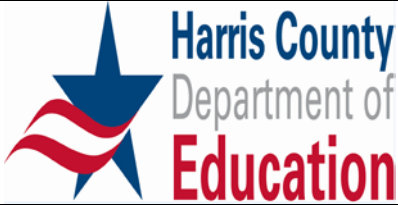
- E=Deductions for 403B retirement plan or annuity contributions
- G=deductions for 457 retirement plans or annuity contributions
- DD=Effective January 2013, cost of employer-sponsored health coverage. The amount reported is not taxable.

Box 14=N/A

Retirement Plan-Box should be checked for employees participating in a retirement plan.

*Inquiries regarding W-2 wage and tax statement*

The Payroll Office may not disclose any information to anyone other than the employee regarding his or her W-2 wage and tax statement. Employees are encouraged to visit the Employee Access Center (EAC).

	<b>ACCOUNTING PROCEDURES</b> HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference: CH (LOCAL) CFE (LOCAL)
DATE DEVELOPED: 06/28/08	REVISED DATE: 04/29/12	
SUBJECT: Processing replacement/supplemental payroll checks		

### **Purpose**

To provide guidelines on processing replacement/supplemental payroll checks.

### **Procedure**

A replacement/supplemental check may be wage payment processed subsequent of a regularly scheduled wage payment. Examples may include: (1) overpayments /underpayments of employees pay (2) direct deposit returns (3) terminations (4) benefit refunds and (5) lost/ stolen checks.

### **Overpayments**

If an employee discovers an overpayment, contact the Payroll Office immediately. If the error was discovered by a Payroll Specialist, the employee will be contacted. If pay was issued via direct deposit, a request will be initiated to have the funds returned. If pay was issued via paper check, a stop payment request will be initiated. An employee must submit a certified check, money order or cash in the amount of the overpayment if funds are not returned. In some instances, employees will be required to complete a repayment agreement before overpayments are processed. This process will require approval from Human Resources.

### **Underpayments**

If an employee discovers an underpayment due to a data entry or an accounting error, the employee should contact the Payroll Office. Once the error has been researched and resolved, a check may be reissued or the funds may be direct deposited into the employee's account. Some underpayments may require processing on the next regularly scheduled pay date.

### **Direct Deposit returns**

*Refer to direct deposit procedure.*

### **Terminations**


Employees who have been terminated involuntarily may receive their final pay via direct deposit or be issued a check within 1 to 6 business days after the date of termination. Employees who have voluntarily terminated employment may receive their final pay via direct deposit or receive a paper check.

### **Benefit Refunds**

All benefit refunds will be processed the day after each regularly scheduled pay date. Benefit refunds will be processed via direct deposit.

### **Lost or Stolen**

The Payroll Office should be notified immediately of lost checks. Replacement checks may be issued within 3 business days after the issuance date. Checks assumed lost will be placed on a stop payment status.

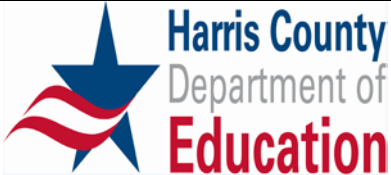
	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <i>CH (LOCAL)</i>
DATE DEVELOPED: 04/13/09		
REVISED DATE: 04/29/10		
SUBJECT:   Returned (undeliverable) mail		

**Purpose**

To provide guidelines for handling returned (undeliverable) mail

**Procedure**

If mail is returned undeliverable to the Payroll Office, all efforts will be made to contact the employee. Employees must submit a change of address form in the Human Resources Division. Employees W-2 wage and tax statements returned undeliverable will not be forwarded. Undeliverable mail will be filed in the Payroll Office.

	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <i>CFEA (LOCAL)</i>
DATE DEVELOPED: 06/25/08		
REVISED DATE: 05/10/17		
SUBJECT: Teachers Retirement System (TRS) Processing & Reporting		

### **Purpose**

To provide guidelines for reporting employees TRS contributions and request for distributions.

### **Procedure**

Effective September 1, 2016, employees (members) contribution rate changed to 7.7 % of all eligible compensation. The TRS-Care insurance contribution will remain at .65%. Deductions are mandatory and will be processed according to the rules / regulations of the Texas Teachers Retirement System. Employees are not allowed to cancel the deductions for TRS.

#### **Eligible compensation**

All employees' compensation is subject to TRS excluding vacation payouts, compensatory time payouts, employee reimbursements and allowances. Each eligible member will receive an annual statement from TRS detailing all contributions credited to the employees account in accordance with the rules and regulations of TRS. Employees are encouraged to retain copies of his or her pay checks for comparison with the official TRS account statements.

#### **Processing of TRS form TRS-6 (Request for Refunds)**


Employees must complete a TRS-6 (Notice of Final Deposit and Request for Refund) in order to receive a refund. Employees should contact the Teachers Retirement System for eligibility and disbursement information.

#### **Processing of TRS request forms TRS-7 (Distribution of Annuity payments)**

All forms are completed by the Payroll Office and certified by the Executive Director of Human Resources or other authorized reporting official. The Payroll Office will not process a TRS-7 form until the employee's final pay has been processed, recorded in the payroll records, and the final reporting month contribution has been reported to TRS. The forms are submitted certified mail to the TRS Office. Employees should allow at least 2-6 weeks for processing by TRS.

#### **Reporting of Retirees**

Due to legislative changes and the additional reporting requirements, the Payroll Office is required to report to TRS those retirees who retired after September 2005 and worked half time or more each month. All hours and days worked will be reported based on the time worked reported in Time Clock Plus and processed by the Payroll Office. It is the responsibility of the retiree to monitor the number of hours worked during the month to avoid possible forfeiture of annuity payments and additional surcharges paid by the Department. Time worked in ½ increments will be reported in full days. Supervisors should encourage all retirees to contact TRS for further information regarding status and eligibility. Retirees working more than the part time hours allow by TRS should be familiar with The TRS Pension Surcharge amount of 14.5 % & the TRS Care Surcharge amount of \$535.00. The surcharges will be charged to the budget where the retiree's salary is paid. Please refer to the working calendar provided by TRS for the 2017-2018 school year.

	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <i>DEA(LOCAL)</i> <i>DEAA (LEGAL)</i>
DATE DEVELOPED: 7/1/2015	REVISED DATE:	
SUBJECT: Approval of Full Time Equivalent (FTEs)		

### **Purpose**

To provide guidelines for the approval of FTEs

### **Procedure**

#### **By Divisions:**

1. Directors, Principals, and Grant Managers are responsible for assessing the need for positions and FTEs for each division.
2. Directors, Principals, grant managers are responsible for recommending FTE positions, and are responsible to monitor that the work associated with the position is conducted to the satisfaction of the division and department in accordance with legal and local guidelines.

#### **Human Resources Division:**

1. The Human Resources Division is responsible for reviewing the FTEs and recommending them to the superintendent for the establishment of the type of position during the budget process and as needed on a periodic basis.
2. The Human Resources Division will review recommendations from the Divisions, and determine (1) whether the position has a job description, (2) whether the FTE has been approved by the board, and (2) all authorize the FTEs are included in the payroll system by inputting the FTE pay rates. Prior to the position being posted by the Human Resources Division, Human resources will prepare a Personnel Requisition Form / submit for each position to the Business Office for review /approval of budget availability if the position was not previously approved as part of the budget process.

#### **Business Office:**

1. The Business Office will review FTE payroll amounts recommended for budget availability and document approval on the Personnel Requisition Form if the position was not approved as part of the budget process.
2. The Payroll Office will run reports each pay period and compare amounts approved in the previous months by individual and compare it to the new payroll rates for positions as updated for the pay period and verify that all have been verified and duly approved.
3. The Comparison Report will be reviewed and approved by the Payroll Manager and the Chief Accounting Officer or the Assistant Supt for Business.

4. Any exceptions will be followed up with the Human Resource Office and resolved prior to processing the biweekly payroll.

FTEs approved by the Superintendent:

1. Reclassification of FTEs will require only the approval by the Superintendent prior to implementation on the following:
  - a. An FTE change from a professional position to another similar position OR a clerical position to another similar position.
  - b. Change in an FTE to a lower pay grade.
  - c. Change in an FTE to the same paygrade.

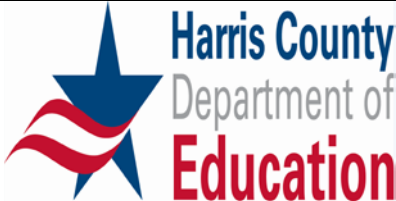
FTEs approved by the Board:

2. A list of FTEs will be included in the annual budget to be implemented for the fiscal year. The budget availability will be considered during the budget process and submitted for approval by the Superintendent and the Board of Trustees.
3. Any FTEs not included in the approved annual budget will require board approval prior to implementation.
4. All FTEs require board approval regardless of whether they are included in a grant agreement or contract. If the grant agreement or contract was approved by the Board and included the FTE associated with the grant agreement or contract, additional board approval is not required,
5. FTE positions are monitored in the HCDE financial system through the Position Control System in SunGard. Any additions of FTEs require Board approval.
6. Reclassification of FTEs will require approval of the Superintendent and may require approval of the Board of Trustees prior to implementation (see below):
  - a. An FTE reclassification or change from a non-contract position to a contract position requires superintendent AND board approval even if the change does not impact the budget.
  - b. An FTE reclassification or change from a non-contract position to another non-contract position at a higher or lower pay grade requires superintendent approval, but no board approval subject to the following parameters:
    - i. Changes in an FTE to a higher pay grade or increased number of work days may also require superintendent and board action if the reclassification or change results in an increase to the division's budget.
    - ii. Changes in a FTE to a lower pay grade will not require board action, but will require superintendent approval.
    - iii. Changes in same paygrade will require superintendent approval only.
7. Board policy DEA (Local) for mid- year pay increases shall be followed if an employee's pay is changed in the middle of the school year because of a position reclassification or change.

Annual Review:

1. FTEs will be reviewed during the annual budget process for adjustments needed by the Human Resources Division, the Business Office, & the Superintendent.



	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <i>DEA(LOCAL)</i> <i>DEAA (LEGAL)</i>
DATE DEVELOPED: 7/1/2015		REVISED DATE:
SUBJECT: Approval of Stipends		

### **Purpose**

To provide guidelines for the approval of stipends

### **Procedure**

#### **By Divisions:**

1. Directors, Principals, and Grant Managers are responsible for assessing the need for stipends for division staff.
2. Directors, Principals, Grant Managers are responsible for recommending stipends, and are responsible for monitoring that the work associated with the stipend is conducted to the satisfaction of the department in accordance with legal and local guidelines.

#### **Human Resources Division:**

1. The Human Resources Division is responsible for reviewing the stipends and recommending them to the board to establish the type of stipend and the amount of the stipend during the budget process and as needed on a periodic basis.
2. The Human Resources Division will review recommendations from the Divisions, then determine (1) whether the stipend requirements are met, and (2) whether the stipend has been approved by the board. If the stipend has been approved by Board Then Human Resources Division will authorize the stipend to be included in payroll by inputting the stipend rates. If the stipend has not been approved by the Board the Human Resources will prepare a recommendation for approval by the Superintendent and the board.

#### **Business Office:**

1. The Payroll Office will run reports each pay period and compare amounts approved in the previous months. Then this information will be compared to the new payroll rates for stipends as updated for the pay period and that all have been verified/ duly approved.
2. The Business Office will review stipend amounts recommended for budget availability and document approval on the biweekly Payroll Comparison Report. The Comparison Report will be reviewed, approved by the Payroll Manager, the Chief Accounting Officer, and/or the Assistant Superintendent of Business Services.
3. Any exceptions will be followed up with the Human Resource Division and resolved prior to processing the biweekly payroll.

Stipends approved by the Board:

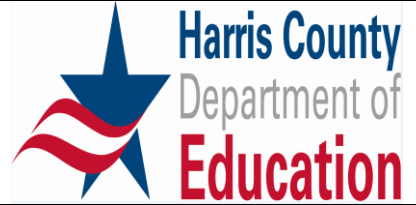
1. A list of stipends will be included in the annual budget to be implemented for the fiscal year. The budget availability will be considered during the budget process and submitted for approval by the Superintendent and the Board of Trustees. Board approved stipends will be included and listed in the Board Approved Salary Schedule for the year.
2. Any stipend not included in the approved annual budget will require board approval prior to implementation.
3. All stipends require board approval regardless whether they are included in a grant agreement or contract.

Annual Review:

1. Stipends will be reviewed during the annual budget process for adjustments as needed by the Human Resources Division, the Business Office, & the Superintendent.

## **Purchasing**

The Purchasing Division is responsible for ensuring that all purchasing transactions are in compliance with all state, local and federal regulations.

	<p align="center"><b>PROCUREMENT PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p>
<p>DATE DEVELOPED: 5/19/2008</p>	<p>REVISED DATE: 5/9/2010</p>	
<p>SUBJECT: GENERAL PURCHASING GUIDELINES</p>		

1. All requisitions must be submitted to the Purchasing Division via Pentamation. Divisions should ensure funds are available prior to submitting a requisition.
2. All contracts require a purchase order; a requisition must be submitted to the Purchasing Division. A copy of the contract will be on file on the Purchasing Division Portal.
3. A Sample Competitive Sealed Bid (CSB) and Request for Proposal (RFP) has been developed to use for bids and proposal. CSB is used on generic goods or services that normally are awarded to low bidder meeting specifications. RFP is used on more complicated purchases that require an evaluation to take place along with possible negotiations. All divisions must submit their requests to the Purchasing Division (see sample RFP).
4. TEC.4.35(a) A trustee, officer, agent, or employee of a school district who intentionally recklessly or with criminal negligence violate Subsection (a) or (b) or Section 44.031 of the [Texas Education Code](#) or who makes or authorizes split, separate, sequential, or component purchases with intent to avoid the competitive requirements of those subsection commits an offense. The offense is a Class B misdemeanor and is an offense involving moral turpitude. The conviction of a person other than trustees under Subsection (a) of this section results in the immediate removal from office or employment of that person.
5. The disposition of purchase orders are: electronic or faxed copy will be sent to vendor, scan copy to receiving division, and scan copy to IT on computer hardware/software (only), copy to Accounts Payable and copy for purchasing file. Purchase Orders issued for professional services consultants, utilities, leases, phones, division requested purchase orders will not be faxed. These are used as a monitoring tool to manage and control maximum commitments and expenditures.
6. The Business Division and the Superintendent's Office are the only divisions that may commit/obligate the Department via a purchase order. Notice of award must be made by the Business Division through the Purchasing Division.
7. Purchases made through the Buy Board, Department of Information Resources (DIR), Region 4 (TCPN), and Choice Partners Cooperative do not require advertising. Instead, these require documentation of the source of quote. If the item is \$50,000 or more, it will require Board approval as per [CH Local](#).
8. Expenditure contracts totaling \$50,000 or more require Board approval according to [CH Local](#).
9. Competitive bidding is required for purchasing of \$50,000 or more. Additional quantities may be purchased at the same bid price from the successful vendor as per [CH Legal](#).

10. Written quotations from at least three vendors, if possible, shall be secured for purchases of at least \$2,500 but less than \$50,000 (If using an approved cooperative vendor, only one quote is required). Awards in this category are to be approved by the Purchasing Director or designee.
11. Purchases less than \$2,500 or less require one written quote. For purchases of less than \$500, the Purchasing Director and/or Assistant Superintendent for Business Services may purchase directly.
12. The bid/proposal threshold amount for federally funded child nutrition programs is \$10,000. Written proposals are required for orders of \$15,000 or more for professional services. For purchases of less than \$15,000, a written quotation is required.
13. Follow up on purchase orders must be coordinated with Purchasing and Accounts Payable in order to clear any outstanding requisitions. For year-end procedures, all requisitions/encumbrances must be cleared no later than 30 days after the end of the fiscal or grant year.
14. All non-compliance purchasing matters will be addressed to the Program Director in charge and the Superintendent.
15. The bid advertisement, prepared by the Purchasing Division, stating a brief description of the item(s) bid, where the bidding documents, plans, or specifications may be examined, the time and place for submitting bids, and the time and place where the bids will be opened (if applicable), will be published in a local paper in two separate weeks prior to the bid opening. Bid openings must be at least ten (10) days from the date of the second publication but preferably fifteen (15) days or more depending on the scope of work. Opening for construction related bids and proposals; the bids will be at least 21 days from the date of first publication.
16. All purchase orders for construction and services issued above \$15,000 must be accompanied by a signed contract before issuance of the purchase order and approved by the Board.
17. Purchase orders in the amount below \$15,000 - the purchase order will be the contract with attached proposal or bid documents. Additional contracts are optional below the \$15,000 threshold.



# Procurement Card Program Manual

**PREPARED BY: PURCHASING DIVISION**



Page Intentionally Left Blank



## Preface

---

July 26, 2018

A message from the Superintendent:

Harris County Department of Education has oversight over public funds for the advancement of education in Harris County. We are accountable for the appropriate use of these funds. We are all required to ensure that we adhere to the internal controls established, and utilize sound business practices for the management of public funds. We are task with an awesome responsibility and must be accountable to our taxpayers.

Attached is a P-Card manual that has been developed to guide you and meet our fiduciary obligations. Please take time to read it and implement administrative measures to comply with the manual requirements.

Our purchasing staff is ready to work with you and provide training as necessary. If you have any questions, please contact Dr. Jesus Amezcua or a member of the purchasing team.

Sincerely,

James Colbert, Jr.  
County School Superintendent



## **TABLE OF CONTENTS**

1.0	Overview .....	1
2.0	Introduction to the Procurement Card Program .....	1
3.0	Who Can Obtain a P-Card? .....	1
4.0	How Do I Obtain a P-Card and Keep It? .....	1
5.0	Spending Limits .....	2
6.0	Acceptable Purchases .....	3
7.0	Unacceptable Purchases .....	4
8.0	How to Make Purchases with Your P-Card .....	6
9.0	Resolving Disputes .....	8
10.0	Reconciliation of Monthly Expense Reports and Billing Statements .....	9
11.0	Departmental Roles/Duties within the P-Card Program .....	10
12.0	Compliance Administration, Reviews and Violations .....	13
13.0	Violations, Fraud, Waste and Abuse .....	14

### **Attachments**

A	New P-Card Request Packet .....	19
B	P-Card Receipt and Acknowledgement Form .....	22
C	P-Card Maintenance Form .....	23
D	P-Card Reporting Form .....	24
E	Texas Sales and Use Tax Exemption Certification .....	26
F	P-Card Missing Receipt Affidavit .....	28
G	P-Card Monthly Reconciliation Checklist .....	29
H	Airfare Quote Form .....	30
I	MasterCard Termination Affidavit .....	31
J	Notification of Violation Memo .....	32
K	P-Card Facilitator Form .....	33
L	P-Card Facilitator Agreement .....	34
M	Retirement Celebration/Years of Service Authorization Form .....	35

## **1.0     Overview**

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

## **2.0     Introduction to the Procurement Card Program**

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

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

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

## **3.0     Who Can Obtain a P-Card?**

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

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

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

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

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

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

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

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

#### **4.2 Complete P-Card Training**

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

#### **4.3 Sign the P-Card Receipt and Acknowledgement Form**

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

By signing this form, the Cardholder acknowledges:

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

#### **4.4 Complete Refresher Training**

P-Card “refresher” training will be required every two (2) years or as required by the Purchasing Division. The Cardholder, Executive Team Member, Approving Official, and those individuals holding Facilitator roles will be required to complete a refresher training course in order to maintain P-Card privileges. Failure to complete training within thirty (30) days of notice will result in suspension of P-Card privileges until such time as the training has been successfully completed. Instructions for completion of the refresher training will be provided by the Purchasing Division to the individuals holding the various P-Card roles.

### **5.0 Spending Limits**

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

#### **5.1 P-Card Controls**

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

## **5.2 Cardholder Spending Limits**

The available limits on a P-Card include:

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

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

The Department's maximum limit on P-Card purchases is \$2,499 per transaction.

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

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

## **5.3 Merchant Activity Type Limits**

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

## **6.0 Acceptable Purchases (Things I Can Buy)**

All purchases made with the P-Card must be for official HCDE business and must NEVER be used for personal purchases (intentional or unintentional), regardless of the circumstance. The P-Card may be used to purchase supplies and materials, non-inventoried equipment, and various services valued at \$2,499 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:**

- Airfare
- Travel and Lodging
- Car Rentals
- Registration Fees
- Workshop Materials; including books, tapes and CD's
- Business Meals- (not in addition to per diem)
  - An agenda must be attached to the documentation (i.e. Rotary Meetings)
- E-Commerce (ordering from electronic vendors) up to a maximum of \$2,499
  - (i.e. apps, ppt templates, etc.) (Note: no sales tax allowed)
- Promotional Items. Promotional items are those items that bear the HCDE/Division logo and is used for promotional purposes
- Fuel for equipment such as mowers or shop equipment
- Fuel as part of rental vehicle contract
- Payment of convention booth fees (i.e. TASB, TASBO) up to \$2,500

- Flower arrangements for events (i.e. graduations, general in-service) up to \$500
- Plan or permit fees to a city or a county (i.e. COH or Harris County) up to \$2,499
- Review fees for documents sent to GFOA, TASBO, ASBO or other association
- Permit or license fees (i.e. CPA, Engineer, etc.)
- Memberships to associations (i.e. TASA TASB, GFOA, ASBO, TSCPA, AICPA, Rotary, or other professional organization up to \$2,499 per transaction
- Excess luggage/baggage payment traveling by airplane – for presentation brochures or other booth materials up to \$500
- Valet parking is allowed when unloading materials at conference sites/hotels and-or is a safety matter for the HCDE employee not to exceed \$50 per day
- Payment of utilities through the Accounts Payable Office for emergency situations or as approved by Asst. Supt for Business. (utilities such as water, electricity, cable, or gas)
- Authorized transactions by Asst. Supt for Business in order to pay an HCDE debt which requires expediency and within the allowed budget and CH Local.
- Purchases from Vendors for the following categories:
  - Office or General Supplies up to a maximum of \$750
  - Catering Services for business functions up to \$2,499
  - Technology Items – See “Allowed Technology Items Purchases” below
  - Purchase of parts up to a maximum of \$2,499 (must include part # for a vehicle or building location)

## 6.1 Technology Items

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

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

**Purchases of any and all technology-related items not listed above require either the approval and/or assistance of Technology Support Services staff.**

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

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

## **7.0 Unacceptable Purchases and Practices**

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

- Any purchase that exceeds \$2,499 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
- E-Bay
- Escort Services
- Escrow Accounts
- Furrier and Fur Shops
- Gasoline for personal motor vehicles
- Gift Cards of any kind, for any reason (including gift certificates, stored value cards, calling cards, pre-paid cards, or similar products and other equivalent forms of cash)
- Goods or Services for personal use
- Groupon purchases
- International purchases
- Jewelry stores
- Leases or other contractual agreements regardless of the cost
- Maintenance/Service Agreements (that require a signed contract)
- Massage Parlors
- Merit Awards/Student gifts in the excess of \$50.00
- Money Orders or Convenience Checks
- Office Furniture over \$50

- Outstanding invoices against active purchase orders
- Pawn shop purchases
- Personal services (hair salon, doctor visits, hospitalization, etc.)
- Special occasion items for personnel or personal use (flowers, fruit baskets, candy, balloons, etc.)
- Sponsorships. Sponsorship is defined as offering financial assistance, support, patronage or funding to an entity or person
- Wire transfers
- Any purchase prohibited by another HCDE policy

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

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

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

Splitting orders/transactions or making sequential purchases with the Department P-Card is prohibited. Ensure that individual transaction limits are never exceeded. Transaction splitting is the practice of committing multiple P-Card transactions to circumvent the Cardholder's one-time transaction limit, bypass HCDE competitive bidding requirements, or avoid the card's monthly card limit. Sequential purchases mean purchases, made over a period, of items that in normal purchasing practices would be purchased in one transaction.

### **B. Single Purchases of \$2,500 or More**

The P-Card is intended for small dollar transactions. Single purchases of \$2,500 or more are required to be done via a purchase order. Exceptions may be made with prior written approval from the Assistant Superintendent for Business Services.

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

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

### **D. Limitations on Vendors That Can Be Used**

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

### **E. P-Card Sharing**

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

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

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

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

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

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

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

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

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

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

#### **H. Reimbursing Unauthorized Charges**

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

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

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



## **8.0     How to Make Purchases with Your P-Card**

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

### **8.1     Approval Procedure**

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

### **8.2     Provide Vendor with Request/Required Card Information**

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

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

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

### **8.3     Tax Exempt Status**

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

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

### **8.4     Shipping Instructions**

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

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

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

### **8.5     Maintain Transaction Log (Recommended)**

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

- Purchase made by the cardholder

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

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

### **8.6 Ensure Adequate Documentation is Obtained and Exists**

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

### **8.7 Security**

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

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

JP Morgan Chase and report those findings to the P-Card Administrator in regard to the fraudulent charges.

## **8.8 Obtain Best Value**

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

## **9.0 Resolve Disputes**

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

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

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

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

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

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

Step 1: Compile the monthly reconciliation package. This "package", which consists of all original documentation, including receipts, credits, records of disputed transactions and other supporting documentation must be reconciled and attached to the Monthly Expense Report. Departments may use the suggested Monthly Reconciliation Checklist (Attachment G) to assist in completing the monthly reconciliation.

- Step 2: The Cardholder must review the reconciliation package and sign and date the monthly expense report to indicate that a review of the reconciliation package has been conducted. Cardholder must ensure that funds are available on the account where the expense is being coded. If no funds are available, a budget transfer must be initiated to cover these expenses. The reconciliation package should be submitted to the Approving Official or Facilitator in a timely manner so that the package can be reviewed and approved by the Approving Official.
- Step 3: A propriety review of each Cardholder's transactions must occur to ensure that the purchase was reasonable, appropriate and necessary while also in compliance with P-Card rules and regulations. This review may be completed by a Facilitator or the Approving Official; however, the Approving Official is responsible for ensuring that a propriety review has been conducted. The individual conducting the propriety review must sign the monthly expense report package to indicate that the propriety review has been performed.
- Step 4: The Approving Official must review the reconciled expense report package on a monthly basis. This review must be evidenced by a signature of the Approving Official on the JPMorgan Chase SmartData Expense Report for the assigned cardholder.
- Step 5: The Facilitator must send the signed expense report package to the Procurement Card Specialist and retain a copy for their records. The P-Card Specialist reconciles the expense reports to the monthly billing statements and ensures that all purchases were conducted in accordance to P-Card guidelines.

#### **11.0 Departmental Roles/Duties within the P-Card Program**

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

##### **Cardholder**

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

##### **Mandatory Duties:**

- Attend initial training prior to receipt of a new P-Card
- Complete refresher training every two (2) years or as often as directed by the Procurement Office
- Sign the Conflict of Interest Disclosure Forms (Fraud)
- Record each transaction on a transaction log as the purchase (or credit) occurs – *this is a recommended practice and not mandatory*
- Provide adequate documentation for each transaction for inclusion with the monthly expense report. Submit documentation to the Approving Official or Facilitator for inclusion in the reconciled monthly expense report.
- Sign and date the monthly reconciled expense report and assure that funding is available when posting the transaction to the general ledger.
- If a personal charge has accidentally been made on the P-Card, the item must immediately be paid in full by personal check made payable to the Harris County Department of Education from the Cardholder. (See Section 7.2, Subsection F).

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

### **Executive Team Member**

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

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

### **Mandatory Duties:**

- Complete required training
- Approve and Monitor the Issuance of P-Cards:
  - Approve new P-Card requests via the P-Card Request Form (Attachment A) to establish cardholder single transaction/monthly credit limits and default accounts.
  - Ensure that only permanent (regular) employees whose duties require purchasing card use are issued P-Cards
  - For every P-Card issued, assign an Approving Official who acts in a supervisory capacity to the cardholder.
  - Assign individuals to act as Facilitators, as needed, to perform various other mandatory duties (multiple Facilitators may be assigned)
  - Periodically assess the continuing business need for each card issued within the department at least annually
  - Re-evaluate transaction and spending limits periodically
  - Approve Cardholder profile change requests as needed using the P-Card Maintenance Form (Attachment C). This form addresses changes to the single transaction limit, monthly credit limit, role assignment changes and other changes.
  - 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:
  - Assign a knowledgeable individual acting in a supervisory capacity (usually the Division Director/Budget Manager) to the cardholder as the Approving Official for each card. Sufficient internal controls must be established and implemented to ensure that this knowledgeable individual review the monthly expense report package, including receipts and other supporting documentation for approval in a timely manner during regularly scheduled billing cycles.
- Establish and Maintain Internal Controls as specified in Policy CAA (Local) – Fiscal Management Goals and Objectives – Financial Ethics.

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

The Executive Team Member must assign a knowledgeable individual acting in a supervisory capacity (to the Cardholder) as the Approving Official. Once this role is assigned, the duties of this position may not

be delegated. Note: The Approving Official may also be the Executive Team Member and may perform other mandatory functions associated with P-Cards.

### **Mandatory Duties:**

- Attend initial training prior to assuming the role of Approving Official
- Complete refresher training every two (2) years or as often as directed by the Procurement Office
- Review the P-Card purchases of assigned Cardholders on at least a monthly basis to verify that all transactions were properly authorized and that a propriety review was conducted to ensure that charges were appropriate and directly related to HCDE business as well as sufficiently supported with documentation that describes the nature and purpose of each transaction. Evidence that a propriety statement with a signature or with comments added in SmartData.
- Sufficient documentation and description generally means that an external reviewer, with access only to the statement and supporting documentation, could identify the following:
  - Detailed list of items(s) purchased
  - Intended business use of items purchased
  - Date and amount of the purchase
  - Vendor Name
- Ensure that the Cardholder has signed and dated the monthly expense report.
- Sign the monthly expense report to show evidence that a reconciliation and review of transactions has been completed. Ensure that the supporting documentation which includes receipts, invoices, and dispute forms are attached to the signed expense report.
- Identify any policy violations and discuss with the Cardholder to provide additional instruction. If a violation occurs (even if unintentional or if a credit was received), Approving Officials must report the situation in writing using the P-Card Reporting Form (Attachment D). Please forward a copy to the Executive Team Member.
- If the Cardholder is no longer employed at HCDE or has transferred to a new department, the Approving Official is responsible for ensuring that:
  1. The P-Card has been cancelled immediately, cut-up and returned to the P-Card Administrators in Procurement
  2. All transactions have been entered in SmartData
  3. Adequate documentation exists for each transaction
- Notify the P-Card Administrator immediately upon change in cardholder's employment status including:
  - Change of Department
  - Change of Position, Role or Title
  - Leaves of Absence
  - Termination, resignation or retirement – The Approving Official must notify the P-Card Administrator immediately so that the card can be deactivated promptly

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

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

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

The following duties/functions listed below may be performed by individual's other than the Cardholder, Approving Official or Executive Team Member. If someone other than an individual holding one of the three mandatory roles is completing these duties, this person is considered to be performing the role of a

**“Facilitator”** and must be assigned by the Executive Team Member (See Attachments K and L for Facilitator forms). Facilitators must also receive the same training as Cardholders.

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

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

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

## **12.0 Compliance: Administration, Reviews and Violations**

### **12.1 Program Administration**

The Procurement Office is responsible for the overall administration of the P-Card program. Administrative roles within the P-Card program include the Procurement Director and P-Card Administrator, the P-Card Specialist within the Procurement Department, and the Assistant Superintendent for Business Services in the Business Services Division. Please refer to the table in Appendix A for a list of the responsibilities and duties assigned for each P-Card Administrative role.

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

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

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

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

## **13.0 Violations, Fraud, Waste and Abuse**

### **13.1 Violations and Written Notices**

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

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

#### **Minor Violations**

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

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

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

#### **Major Violations**

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

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

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

### **13.2 Detection and Prevention of Fraud**

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

- a. uses a purchasing card for personal gain;



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

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

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

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

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

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

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

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

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

##### **14.1 Receipts**

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

##### **14.2 Lost Receipts**

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

##### **14.3 Travel Expenses (6411 – 6414)**

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

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

**Airfare** – HCDE is not exempt from paying airfare taxes. The HCDE Airfare Quote Form (see Attachment H) should be completed by the Cardholder to ensure that HCDE is getting the best value when flying. Three (3) quotes must be procured from any airline company that accepts MasterCard as a form of payment. The form and airline quotes must accompany the airfare receipt when submitting the monthly expense report.

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

The p-card may be used to pay for baggage fees; however, Accounts Payable will only reimburse the cardholder for the first checked bag if a fee is assessed. Any additional baggage or overweight baggage fees will be the responsibility of the traveler and HCDE will have to be reimbursed by the traveler.

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

Valet parking is allowed under certain circumstances:

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

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

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

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

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

A request to attend must be prepared for the non HCDE employees due to a grant, and the P card user will be held liable for any misappropriation or misuse by the non HCDE employee. The name of the non HCDE employee must be listed on the request to attend and may not be substituted. Furthermore, a copy of the grant or contract allowing or requiring the travel must be attached.

#### 14.4 Business Meals

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

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

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

*Tips for Meals:*

For the purpose of business meetings, HCDE allows up to a maximum of **15% of the meal expense as a gratuity to the waitperson for excellent service.** Gratuities established by a restaurant for parties over a certain number of persons are allowable and will be reimbursed in full providing that the request for reimbursement accompany documents and or receipts that substantiates (time, date, purpose and a list of the attendees) the business meeting. For example, if an establishment accesses an 18-25% gratuity (usually for larger parties) the employee will be reimbursed for the total of the bill.

#### Catering & Delivery

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

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

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

*Tips for Catering/Food Delivery:*

The delivery fee for food often covers the expenses for delivery such as vehicle fuel and use, insurance expense and ‘to go’ supplies (containers, etc.) and not a gratuity for the delivery person. HCDE allows a maximum of **10% of the food** total to be paid for catering/food delivery expenses. For example,

Invoice total:       \$ 75.00

LESS Delivery fee:   - 10.00

Food Total:           \$ 65.00

Maximum allowable tip:   \$ 6.50

### **Retirement Celebration**

Employees retiring from Harris County Department of Education (HCDE) may be honored with a reception. The Human Resources Division allocates \$200.00 for the purpose of purchasing refreshments for the reception and a small bouquet of flowers. Gifts for the retiree may not be purchased using the P-Card. The Department has pre-selected gifts allotted for retirees (See HCDE Retiree's Gift Brochure) available through the Human Resources division. The Department does not sponsor private (division only) receptions.

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

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

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

### **Years of Service Recognition Celebration**

Employees with 20, 25 and 30 years of service will be honored by recognizing their service with a reception. The Human Resources Division allocates \$100.00 for the purpose of purchasing refreshments for the reception. Gifts for years of service recognition may not be purchased using the P-Card. A plaque will be purchased by the Human Resources Division and provided to the Division Director for presentation to the recognized employee. The Department does not sponsor private (division only) receptions.

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

- Letter/Memo from the Human Resources Division stating that the employee was employed with HCDE for the required years (i.e. 20, 25 or 30 years)
- P-Card Authorization Form for Retirement Celebration/ Years of Service Recognition approved by the Human Resources Executive Director
- Original itemized receipts
- JP Morgan Chase Smart Data Expense Report with signatures from both the P-Card Approving Official and the Human Resources Executive Director

The following object code should be used when entering the transaction into JP Morgan Chase Smart Data: **64160025 Retirement/Years of Service Receptions**. The description should identify the Name of the Recognized Employee- Years of Service Reception.

### **14.5 Split Purchases**

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

## 14.6 Budget Codes

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

## 14.7 Finalizing the Expense Report Package

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

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

1. Immediately following the end of the billing cycle, a Smart Data report should be ran for the FULL billing cycle.
2. Place all supporting documentation in the order that it appears on the Expense Report
3. All documentation is fed through an imaging scanner; therefore:
  - a. RECEIPTS SHOULD NOT BE ATTACHED WITH STAPLES OR PAPER CLIPS.
  - b. Receipts smaller than 8 ½” by 11” should be taped **securely** to a sheet of paper.
  - c. All receipts should lay flat on the paper.
4. DO NOT write on the reverse side of a receipt.
5. Ensure that all backup documentation is attached for travel-related and meal expenses as described in this section
6. Cardholders and supervisor must each sign and date the **Monthly Expense Report**.
7. Place all supporting documentation into an inter-office envelope, send to Internal Purchasing  
Attn: Quality Assurance Specialist.

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

Page Intentionally Left Blank

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

**Employee Procurement Card Agreement**

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

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

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

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

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

## HARRIS COUNTY DEPARTMENT OF EDUCATION P-CARD PROGRAM

### P-Card Request Form

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

#### Employee Information

Cardholder Full Name: \_\_\_\_\_ Employee ID: \_\_\_\_\_

Cardholder Title: \_\_\_\_\_

Department Name: \_\_\_\_\_ Dept. # \_\_\_\_\_

Cardholder Email: \_\_\_\_\_ Work Phone: \_\_\_\_\_

Select the Cardholder P-Card classification:

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

Facilitator who will be reconciling the monthly expense reports; if other than Cardholder:

Name: \_\_\_\_\_ Email: \_\_\_\_\_ Ext. \_\_\_\_\_

*Note: Facilitators are required to have a P-Card Facilitator Agreement on file with the Purchasing Division.*

Send complete package to Purchasing Division, Attention: P-Card Administrator

#### For Purchasing Use Only:

Date sent for approval by Assistant Superintendent of Business Services: \_\_\_\_\_ Approved: ☐ Yes ☐ No

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

If "No", reason for denying: \_\_\_\_\_

Date Complete Package Received: \_\_\_\_\_ ☐ JPMorgan Application ☐ P-Card Agreement ☐ Facilitator Request Form

Approval/Signatures Obtained: ☐ Approving Official (Budget Manager/Director): \_\_\_\_\_

☐ Department Head (Exec. Team Member): \_\_\_\_\_

Date Application Sent to JPMorgan Chase: \_\_\_\_\_ Date Card Received in Purchasing: \_\_\_\_\_

Date Training was Completed: \_\_\_\_\_ Date P-Card Released to Employee: \_\_\_\_\_





U.S. Commercial Card Application

Attachment - A

COMPANY / ORGANIZATION INFORMATION

Company / Organization Name\* Bank Number\* Company Number\* Agent Number\* (card design code)

APPLICANT SECTION\* - \* indicates a required field

Account Holder Type\*: Individual Department (if card issued to department please skip 1 and 6)

1 APPLICANT INFORMATION 2 ACCOUNT SECURITY

Full First Name\* Middle Initial Last Name\* Access Code 1\* (any 4 digit number) Date of Birth\* (mm/dd/yyyy) Employee ID Access Code 2\* (any 4 alpha/numeric characters)

3 NAME AS IT WILL APPEAR ON CARD 4 ACCOUNT CONTACT INFORMATION

Name as it will appear on Card\* (21 character limit - including spaces) Business email address\* Second line to appear on Card (21 character limit - including spaces) e.g. Company Name/Other, etc. Business phone number\* Mobile phone number\*

5 ACCOUNT MAILING ADDRESS 6 HOME ADDRESS

Mailing Street Address\* Home Street Address\* Mailing Street Address Line 2 (if applicable) Home Street Address Line 2 (if applicable) City\* City\* State\* Zip Code\* State\* Zip Code\*

ADMINISTRATOR SECTION - \* indicates a required field

7 ACCOUNT SPEND LIMITS/CONTROLS 8 MERCHANT CATEGORY CODE GROUP SPEND LIMITS

\$ Spend Limit\* Cycle Transaction Limit \$ Single Amount Limit Daily Amount Limit \$ Daily Transaction Limit Cash Advance Limit

9 ACCOUNT PARAMETERS - optional

Rush Delivery (fee may apply. No P.O. box) Executive Card Declining Balance Card Delivery Code - Site ID Accounting Code Effective Begin Date (mm/dd/yyyy) Effective End Date (mm/dd/yyyy)

MERCHANT CATEGORY CODE GROUP NAME*	Include (I)/ Exclude(E)*	CYCLE SPEND	CYCLE TRANS #	SINGLE AMOUNT	DAILY AMOUNT	DAILY TRANS #
		\$		\$	\$	
		\$		\$	\$	
		\$		\$	\$	
		\$		\$	\$	
		\$		\$	\$	
		\$		\$	\$	
		\$		\$	\$	
		\$		\$	\$	
		\$		\$	\$	

10 HIERARCHY - \*\*do not complete unless instructed during program set-up

Level 1 - if applicable\* Level 2\*\* Level 3\*\* Level 4\*\* Level 5\*\* Level 6\*\*

11 ADMINISTRATOR CERTIFICATION - please read and sign

By submitting this request for commercial card issuance to the Bank for the applicant(s) named herein, the undersigned, a duly authorized representative of the Client, does hereby (1) certify that, to the best of Client's knowledge, information and belief, the information in this application and the supporting documentation is accurate, (2) certify that the true identity(ies) of the aforementioned applicant(s) has/have been verified and that the applicant(s) is/are employee(s) or agent(s) of the Client and has/have been duly authorized to apply for and use the Card(s) to incur expenses on behalf of the Client, (3) certify that the applicant(s) named herein have consented to the provision of their information in this Application, and (4) confirm that the applicant(s) has/have consented to the issuance of a Card(s) in their name(s). The Client shall maintain evidence of the applicant's consent to the provision of their information in this Application and the applicant's consent to Card issuance and shall furnish such evidence to the Bank upon request. In this application, the term "Bank" refers to JPMorgan Chase Bank, N.A. and Chase Bank USA, N.A. and their affiliates.

Program Administrator / Approver Name Printed\* X Program Administrator / Approver Signature\* (ELECTRONIC ACCEPTABLE) Date\* Program Administrator (Authorized Signer) Submit Application to: Email: CCS-Account-Services@chase.com Fax: 844-808-8189 US\_CC\_1117

HARRIS COUNTY DEPARTMENT OF EDUCATION  
P-CARD PROGRAM

P-Card Receipt and Acknowledgement Form

By signing this form, you acknowledge the following:

- You’ve received a copy of the P-Card Manual
- You’ve received training regarding all P-Card matters and fully understand all the procedures and regulations outlined in the manual; including procedures for P-Card expenditures, reconciliation of monthly expense reports, what constitutes proper supporting documentation, and consequences for P-Card violations
- You have received your P-Card

Employee Name:		Title:	
Signature:		Date:	

## HARRIS COUNTY DEPARTMENT OF EDUCATION P-CARD PROGRAM

### P-Card Maintenance Form

#### Part 1 – Cardholder Information

Cardholder's name as it appears on card: \_\_\_\_\_

Last four digits of card number: \_\_\_\_\_ Division: \_\_\_\_\_

#### Part 2 – Type of Request

- ☐ Cancel Card (Attach Card) – Employee will ensure that the Monthly Expense Report and receipts will be completed and submitted to the Purchasing Division up to the date of the last transaction.

	<u>Current</u>	<u>Requested</u>
<input type="checkbox"/> Department Change	_____	_____
<input type="checkbox"/> Report Authorize Signature	_____	_____
<input type="checkbox"/> Single Transaction Limit Change	_____	_____
<input type="checkbox"/> Monthly Transaction Limit Change	_____	_____
<input type="checkbox"/> Number of Daily Transactions	_____	_____
<input type="checkbox"/> Cardholder Name Change	_____	_____
<input type="checkbox"/> Other (Specify)	_____	_____

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

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

#### Part 3 – Approval Process

Cardholder Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Approving Official Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Approving Official Printed Name: \_\_\_\_\_

**Please send completed form to the Purchasing Division.**

#### Office Use Only:

Approved by Assistant Superintendent of Business Services (if required): ☐ Yes ☐ No

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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

P-Card Receipt Witness (Required for Cancellation): \_\_\_\_\_

Date Card Received: \_\_\_\_\_

P-Card Administrator Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Entered in System by: \_\_\_\_\_ Date: \_\_\_\_\_

HARRIS COUNTY DEPARTMENT OF EDUCATION  
P-CARD PROGRAM

P-Card Reporting Form

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

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

Reported By: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Cardholder Name: \_\_\_\_\_ Last four digits of card: \_\_\_\_\_

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

1. \*P-Card Misuse:  
*Select the area(s) that apply and refer to page 2 for reporting and documentation requirements:*
- ☐ P-Card used to purchase personal items (intentional or unintentional)
  - ☐ Purchased items on the P-Card not authorized for purchase by the employee
  - ☐ Retained a rebate or refund from a vendor, bank or other financial institution for personal use
  - ☐ Used the P-Card for purchases of \$2,500 or above without written authorization from the Assistant Superintendent for Business Services
  - ☐ Purchased gift cards, alcoholic beverages, tobacco products or personal items
  - ☐ Any person, including a Supervisor/Budget Manager who knowingly, intentionally, willfully, wantonly, or recklessly allowed or conspired with the cardholder on any of the actions noted above

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

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

Comments:

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

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

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

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

## P-Card Reporting Form Instructions

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

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

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

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

### Note:

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

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

**HCDE TAX EXEMPTION FORMS**

**74-6001215**

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

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

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

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

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

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

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

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

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Purchaser claims this exemption for the following reason:

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

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

<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">sign here</div> <div style="border-bottom: 1px solid black; flex-grow: 1;"></div> </div>	<div style="border-bottom: 1px solid black; flex-grow: 1;"></div>	<div style="border-bottom: 1px solid black; flex-grow: 1;"></div>
---	---	---

NOTE: This certificate cannot be issued for the purchase, lease, or rental of a motor vehicle.

***THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID.***

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

HARRIS COUNTY DEPARTMENT OF EDUCATION  
P-CARD PROGRAM

P-Card Missing Receipt Affidavit

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

Vendor: \_\_\_\_\_ Amount: \$\_\_\_\_\_

Date of Purchase: \_\_\_\_\_ Transaction Number: \_\_\_\_\_

Item(s) Purchased:

(Include description, quantity and unit price, and business purpose for each item)

What attempts have been made to request a duplicate receipt from the vendor?

(Include names, dates, phone numbers, or emails used in requesting documentation from the vendor.)

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

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

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

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



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

**P-Card Monthly Reconciliation Checklist**

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

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

**Airline Quotes**

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

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

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

**Comments:**

---



---



---



---

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

Employee Name:		Title:	
Signature:		Date:	

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

**HCDE MasterCard Termination Affidavit**

This form is to be completed when a Cardholder no longer needs the use of the P-Card Program.

I, \_\_\_\_\_, am hereby turning in my HCDE Procurement Card. I will ensure that the monthly expense report will be completed and submitted to the point of the last transaction made with the card.

Employee Name:		Title:	
Signature:		Date:	
P-Card Administrator:		Title:	
Signature:		Date:	
Witness:		Title:	
Signature:		Date:	

**For Purchasing Use Only:**

Date P-Card was shredded: \_\_\_\_\_

Date Account was ☐ Closed ☐ Inactive: \_\_\_\_\_

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

**P-Card Violation Notice**

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

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

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

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

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

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

\_\_\_\_\_  
**P-Card Administrator**

\_\_\_\_\_  
**Date**

**Required Signatures:**

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

cc: Assistant Superintendent for Business Services

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

**P-Card Facilitator Form**

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

Facilitator Name:		Division:	
Email Address:		Date:	

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

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

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

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

*Purchasing Use Only:*

Assigned User ID: \_\_\_\_\_

Date Created: \_\_\_\_\_

P-Card Administrator Signature: \_\_\_\_\_

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


**P-Card Facilitator Agreement**

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

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

Facilitator Name:		Title:	
Signature:		Date:	

Page Intentionally Left Blank

	<p style="text-align: center;"><b>ACCOUNTING PROCEDURES</b></p> <p style="text-align: center;">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p> <p><a href="#"><u>CH (LOCAL)</u></a></p>
<p>DATE DEVELOPED: 03/26/06</p>		
<p>REVISED DATE: 06/21/2017</p>		
<p>SUBJECT: Processing Requisitions and Issuing Purchase Orders</p>		

### **Purpose**

To provide guidelines for processing requisitions into purchase orders.

### **Procedure**

All purchase orders are processed from a formal requisition entered into Pentamotion finance software. After all approvals and proper documentation have been received by the Purchasing Department, a purchase order is generated and forwarded to Accounts Payable for processing.

### **Time Line**


Internal Purchasing policy on processing requisitions is to complete them in three days after manager approval. To ensure that your requisitions are processed in a timely manner, please make sure to enter all the required information in the system.

### **Proper Approvals**

All Pentamotion requisitions need to be approved by proper personnel in the approval chain before a requisition is officially ready to be converted into a purchase order. Divisions are prohibited from having products shipped against a requisition number that has not been converted into a purchase order; this causes confusion for the receiving department because they are not able to match up packing slips with proper purchase orders numbers. Vendors will also use requisition numbers to invoice and this will also cause a delay in accounts payable making a timely payment to vendor.

*For information on purchase order processing, including handling vendor invoices and vendor payments, please refer to the "Purchase Orders" policy located in the Accounts Payable section of the Financial Operating Guidelines.*



	<p align="center"><b>PROCUREMENT PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p>
<p>DATE DEVELOPED: 6/17/2008</p>	<p>REVISED DATE: 5/4/2011</p>	
<p>SUBJECT: REQUISITION PROCEDURES</p>		

## CREATING REQUISITIONS

1. Access Pentamotion by clicking on it's icon on your desktop or following this step:

- a. Click on "eFinancev4.3"

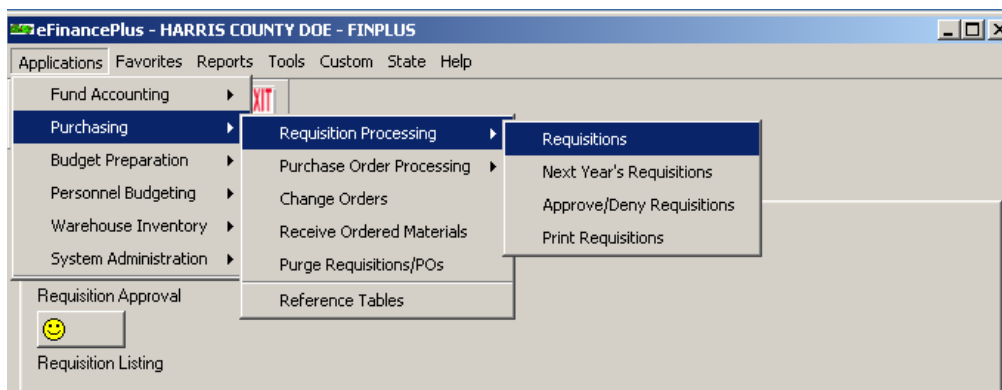


- b. Enter your user name and password (same as your log in when starting your computer)

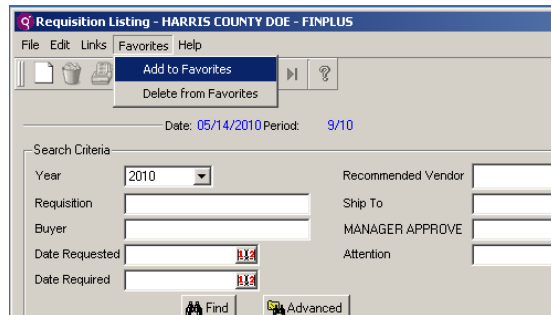


2. You may initiate a requisition by selecting from the drop-down menus or clicking on a "favorites" shortcut:

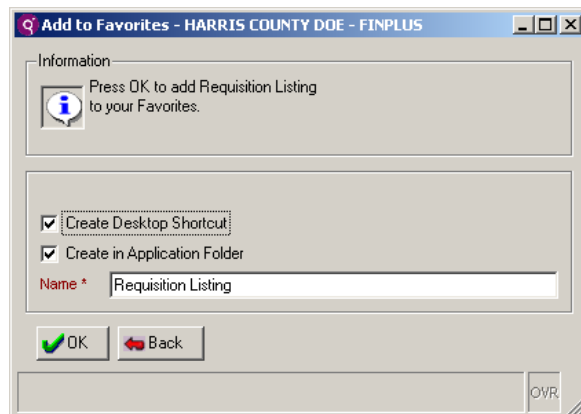
- a. To enter a requisition by selecting from the drop-down menu, go to (1) Applications, (2) Purchasing, (3) Requisition Processing, and (4) Requisitions (See image below).



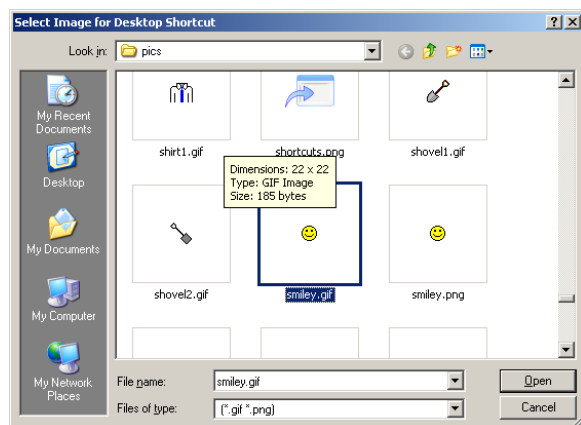
- b. To go directly by clicking on the “Favorites” icon you must add a shortcut button to your “favorites” screen; to do so please follow these steps:
- Follow Step 2 (a) and once in Requisition Listing click on the Favorites drop-down menu and select “Add to Favorites” (see below):



- The following screen will appear; make sure the boxes are checked and select OK.



- The following screen will appear; select your desired icon and click “Open”.



- The next time you log in to Pentamation your shortcut icon will appear on the screen and you may go directly to Requisitions Listing by clicking on it.

3. To add a new requisition:

- a. Click on the blank white sheet of paper icon on the toolbar

- b. The following screen appears, indicating your requisition number:

- c. **Manager Approve Field** – Select your department from the drop down menu. Make sure to write down the requisition number on your paperwork.
- All requisitions over \$2,500.00 need three (3) quotes; if utilizing an approved cooperative vendor, you only need to obtain one (1) quote.
  - Please make sure the quote has not expired as of the date you are entering the requisition
- d. **Delivery Dates:**
- The Requested date defaults to the present date
  - The Required date should be at least 10 days from the Requested date
  - The icon to the right of the Required date is the planner icon (click anywhere outside of the Required date and the date you selected will appear)

- e. **Vendor Number** – Enter the vendor number if you know it, if not, click on the magnifying glass and the “Vendor Search” window will open (see below). Please note that any fields with search capability have a magnifying glass.

Code	Vendor Name	Vendor Address
17320	BUTLER BUSINESS PRODUCTS	6942 SIGNAT DR
17322	LAWRENCE BUTLER/L.B.C.	11331 FEATHERSTAR LANE
17327	PAMELA J BUTLER	3814 LAVENDER ST

- i. Under “Vendor Name” enter an asterisk (\*) followed by the name of the vendor and another asterisk (e.g. if you are looking for the vendor number for Butler Business Products, you would type \*Butler\* and click on the “Find” button).
- ii. A list of vendors which include your search in their name will appear.
- iii. Select your desired vendor and click OK; this step will return you to the Requisition Information screen you were entering.
- iv. If the vendor is not listed, please email Elouise Lopez in Purchasing. The Business Office requires the following forms to be submitted before payment can be made to a new vendor:
  - Completed W-9 Form
  - Completed Conflict of Interest Questionnaire (CIQ) Form  
(This form must be signed and dated)
  - Completed Felony Conviction Notice Form
- v. Once these forms have been submitted, Elouise Lopez will need the following information to set up a new vendor:
  - a. Complete Company Name
  - b. Company address
  - c. Contact Person
  - d. Phone number
  - e. Fax number

*If a company changes their name we will require a new vendor packet to be submitted. There are times when a vendor will submit a W-9 using their Social Security number and the information will be entered on Pentamation under the individual name first. The Second line information will have their company name.*

- f. **Freight Field** – Please make sure that you enter “FOB DEST FFA” on all requisitions.  
(FOB Destination Full Freight Allowed – This means Seller keeps title of goods until delivery is made and pays for freight).
- g. **Comments Field** - Since almost all Purchase Orders are faxed, the person submitting the requisition must enter the vendor’s fax number and the contact person that will receive the fax. Since there are only 25 characters allowed in this section, please only enter the fax number and contact person (e.g. 713-468-3028/Ray Butler). If additional information is necessary please add a note; see step 8 – Notes Section.
- h. **Buyer Field** – The person who processes the requisition should enter his/her name in this field.
- i. **Attention Field** – Enter your department name in this field; you may also include your name (e.g., Purchasing/E. Lopez).
- j. **Ship To Field** – Use the drop-down arrow to the right of this field to find the address where you want your merchandise delivered.
  - All merchandise, except for furniture, should be shipped to the warehouse if you are in the Administration building (Use 078 – HCDE Warehouse).
  - If you are at one of the schools, please have the merchandise shipped to your location.
  - Technology merchandise must be shipped to the warehouse. *Technology needs to be aware of any items that are to be used on computers or any other electronic merchandise. If ordering this merchandise for someone else in your area, please make sure you write their name on the back up sent to Purchasing.*

4. Click OK; the Line Item Descriptions screen appears (see below); now you may start adding line items.

**New Requisition Information - HARRIS COUNTY DOE - FINPLUS**

File Edit Controls Tools Help

Date: 05/14/2010 Period: 9/10

Header Line Item (1 of 1)

**Detail Information**

Requisition: 20101905 - 1 ☐ Shipping Charge ☒ Continuous

Commodity:

Stock Number:

Bid Item: ☐

Fixed Asset: ☐

Description:

**Pricing**

Measure:  Extended Amount: 0.00 Tax Total: 0.00

Quantity: 0.00 Discount Percent: 0.0000 Total Price: 0.00

Unit Price: 0.0000 Trade/Discount: 0.00 Distribution Method: A - Amount

Shipping: 0.00

BUDGET_CODE	Account	PROJECT	Account	Percentage	Amount

Total Charges: 0.00  
Total Requisition: 0.00

Check to use this line as a Shipping Charge

OK Back Save Add Item Delete Line Item Approval Status Tax Rate Vendor Quotes

OVR

- a. **Description Field** – Enter the description of the item or service you are requesting (for open purchase orders, please enter description first, e.g., Consulting Services for Jane Doe – Open Purchase Order).
- b. **Pricing Section** – Complete the Measure, Quantity, and Unit Price Fields (Make a note in your backup if you have free shipping)
  - i. **Measure Field** – Enter unit of measure, e.g.:
    - Each – EA
    - Pack – PK
    - Dozen – DZ
  - ii. **Quantity Field** – Enter the quantity of the item you are ordering
  - iii. **Unit Price Field** – Enter the dollar amount of the item you are requesting
  - iv. **Distribution Method** – Used to select how the item’s cost is to be distributed amongst more than one budget manager code. Select one of the following:
    - A – Amount      Distributes accounting charges based on amount
    - P – Percentage      Distributes accounting charges by percentage
    - Q – Quantity      Distributes accounting charges based on the quantity
  - v. Click OK to proceed to entering the budget codes

5. Enter budget and account codes (See Screen Below)

**New Requisition Information - HARRIS COUNTY DOE - FINPLUS**

Date: 05/14/2010 Period: 9/10

Header Line Item [1 of 1]

**Detail Information:**

Requisition: 20101905 Line Item: 1 ☐ Shipping Charge ☒ Continuous

Commodity:

Stock Number:

Bid Item: ☐

Fixed Asset: ☐

Description: UNIVERSAL PRE-INKED ONE-COLOR STAMP (FILE COPY) ITEM NO. UNV-10104

**Pricing:**

Measure: EA Extended Amount: 10.00 Tax Total: 0.00

Quantity: 4.00 Discount Percent: 0.0000 Total Price: 10.00

Unit Price: 2.5000 Trade/Discount: 0.00 Distribution Method: A - Amount

Shipping: 0.00

BUDGET CODE	Account	PROJECT	Account	Percentage	Amount
19904195093950	63990000			1.00	10.00
Total Charges				10.00	
GEN SUPPLIES & MATERIALS Total Requisition				10.00	

Enter account:  OVR

6. Click OK after you are done entering the information for that line item. For each additional line item repeat steps 4 and 5

7. After you are done entering line items for that requisition click on the Back button. The system will take you back to the original requisition screen and include the information you entered (see below).
8. **Attachments Button** - To add back up documentation to your requisition, you must first have your documents saved in your computer. Click the “Attachments” button.

**New Requisition Information - HARRIS COUNTY DOE - FINPLUS**

Date: 05/14/2010 Period: 9/10

Header Line Item (1 of 1)

General Information

Requisition # 20101905 ☒ Continuous

MANAGER APPROVE PURCH-INTERNAL - PURCHASING INTERNAL Freight FOB DEST FFA

Requested 05/14/2010 Comments 713-468-3028/RAY BUTLER

Required 05/28/2010

Vendor 17320 Alternate Order Address

Buyer ELOUISE LOPEZ

Vendor Address BUTLER BUSINESS PRODUCTS Attention PURCHASING/E. LOPEZ

6942 SIGNAT DR Ship To 666 - HCDE WAREHOUSE

JOB 04/001AS 6005 WESTVIEW DR

HOUSTON TX 77041 HOUSTON, TEXAS 77055

Select Detail Items

Line Item	Description	Quantity	Price	Total	BUDGET CODE	Account	Status
1	UNIVERSAL PRE-INKEK ONE-COLOR STAM	4.00	2.5000	10.00	19904195099950	63990000	Open

1 detail item(s) Total: 10.00

Check for continuous add/update

9. The following screen appears after clicking on the “Attachments” button; click on the blank page in the top left corner to open the dialog box.

**Attachments - HARRIS COUNTY DOE - FINPLUS**

File Edit Help

File Name	Date Modified	Size(Bytes)

OK Back Refresh Folder View

10. Browse the dialog box for your scanned back up documents and click the “Open” button.

**Choose the attachment**

Requisition Backups Search Requisition Backups

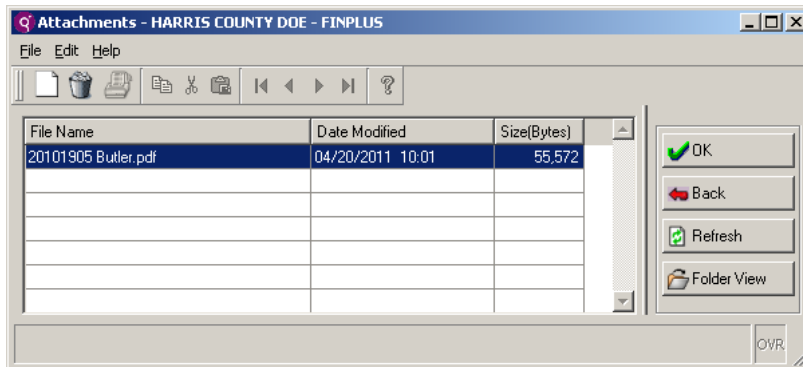
Organize New folder

Name	Date modified	Type	Size
20101905 Butler	4/20/2011 ...	Adobe Acro...	5
20101905 Office Depot	4/6/2011 3...	Adobe Acro...	1
20101905 School Specialty	2/23/2011 ...	Adobe Acro...	5

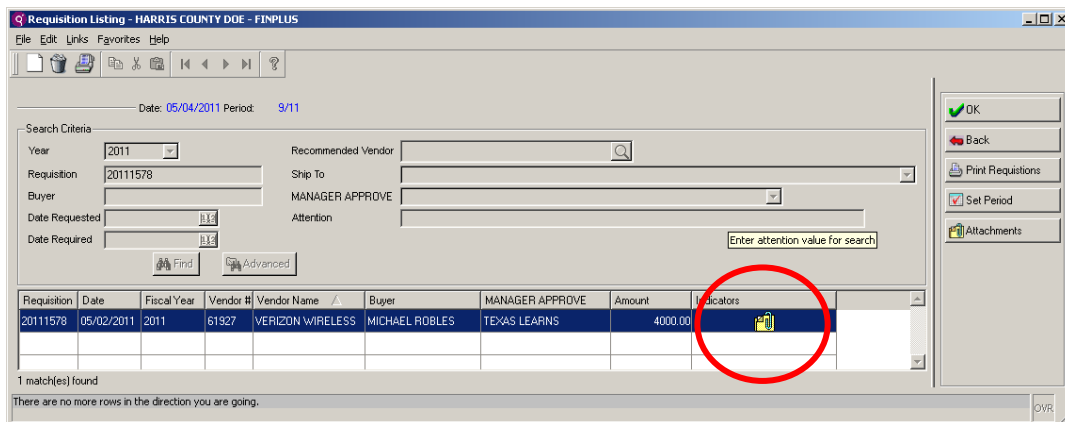
File name: Attachment (\*.\*)

Open Cancel

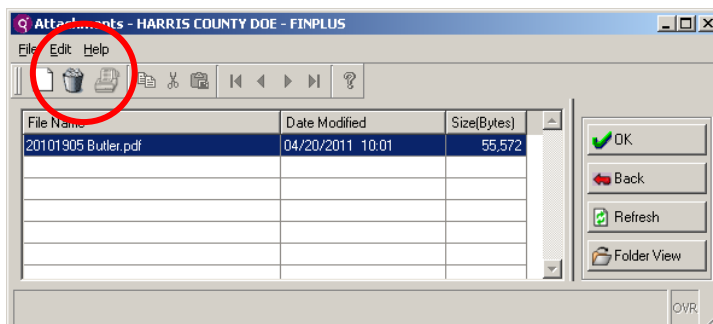
11. The name, date, and file size will appear once the file has been successfully attached. You may repeat steps 9 through 10 until you have attached all of the necessary documents to your requisition.



12. Once you have attached all documents, click the “Back” button. This will bring you back to the requisition screen. Note: On the right side of the screen under the “Ship To” field, an icon will appear indicating that documents have been attached to the requisition.



13. Deleting Attachments – If you accidentally attached the wrong document, click on the Attachments button and the Attachments screen will appear listing all your attached documents; highlight the document you want to remove and click the “Delete” button:





14. Notes Button – You may enter special instructions or additional information here, which will appear on the Purchase Order. For example:
- Any orders made to CDW Government Inc, PC Mall, Lenovo or any other items that are computer related need to include the Quote No and the name of the person who will be receiving the merchandise (e.g., Quote #53489 for Jane Doe)
  - To include a message that your items need to be received before a cut-off date (e.g., Order must be received by July 31, 2010)
  - If purchase was approved by the HCDE Board or using a cooperative vendor (e.g. HCDE Board Approved Item #7 on May 18, 2010)

15. Click OK and you will return to the original requisition screen; if a note was entered, the note icon will appear on the bottom, right hand corner of the general information screen.
16. Review the information entered and complete the requisition by clicking the Save button. The system will ask you if you want to save the requisition.

- You must click “Save” so the requisition can go through the approval levels.
  - If you click “Quit” none of the information entered will be saved.
  - If you click “Continue” it will take you back to the requisitions where you can review it again and make any necessary changes.
17. After saving the requisition, the system will take you back to the original screen where you may enter more requisitions, if needed.

## ADDING LINE ITEMS AFTER A REQUISITION HAS BEEN SAVED:

1. Enter the requisition number on the Requisition Listing screen and click OK twice. The requisition information screen will appear:

Requisition Information - 20101905 - HARRIS COUNTY DOE - FINPLUS

Date: 05/14/2010 Period: 9/10

Header | Line Item (1 of 1)

General Information

Requisition \* 20101905

MANAGER APPROVE \* PURCH-INTERNAL - PURCHASING INTERNAL

Requested 05/14/2010

Required 05/28/2010

Vendor 17320

Vendor Address BUTLER BUSINESS PRODUCTS  
6942 SIGNAT DR  
JOB 04/001AS  
HOUSTON TX 77041

Freight FOB DEST FFA

Comments 713-468-3028/RAY BUTLER

Buyer ELOUISE LOPEZ

Attention PURCHASING/E LOPEZ

Ship To \* 666 - HCDE WAREHOUSE  
6005 WESTVIEW DR  
HOUSTON, TEXAS 77065

Select Detail Items

Line Item	Description	Quantity	Price	Total	BUDGET CODE	Account	Status
1	UNIVERSAL PRE-INKED ONE-COLOR STAM	4.00	2.5000	10.00	19904195099950	63990000	Open

1 detail item(s) Total: 10.00

Select an approval group

OK

Back

Save

+ Add Item

Attachments

Notes

OKR

2. To add a line item, click on the “+ Add Item” button
3. A new line item screen will appear, enter the information by following the steps 4-7 for creating requisitions
4. After finishing entering the additional line items, you must click the “Save” button. Note: you are only able to make changes to a requisition that has not yet been approved

## DELETING REQUISITIONS

To delete a requisition follow these steps:

1. Go to the Requisition Listing screen by clicking on your “Favorites” Icon or following the procedure delineated in Step 2 for Creating Requisitions. The following screen will appear:

Requisition Listing - HARRIS COUNTY DOE - FINPLUS

Date: 05/14/2010 Period: 9/10

Search Criteria

Year: 2010 Recommended Vendor: [Search]  
Requisition: 20101905 Ship To: [Dropdown]  
Buyer: ELOUISE LOPEZ MANAGER APPROVE: [Dropdown]  
Date Requested: 05/14/2010 Attention: [Dropdown] Select ship code for search  
Date Required: 05/14/2010

Find Advanced

Requisition	Date	Fiscal Year	Vendor #	Vendor Name	Buyer
20101905	05/14/2010	2010	17320	BUTLER BUSINESS PRODUCTS	ELOUISE LOPEZ

1 match(es) found

OK Back Print Requisitions Set Period Attachments

2. Enter the requisition number under the Requisition box
3. Highlight the requisition
4. Click on the “Delete” button (trash can icon), the following screen will appear:

Confirmation

Are you sure you want to continue with the delete?

Yes No

5. Click Yes to delete requisition

**Note:** Only requisitions which have not been approved at any level may be deleted. Once the requisition has been approved, you must contact Purchasing Division to delete it.

## PRINTING REQUISITIONS

To print any requisition, follow these steps:

6. Go to the Requisition Listing screen by clicking on your “Favorites” Icon or following the procedure delineated in Step 2 for Creating Requisitions. The following screen will appear:

Requisition Listing - HARRIS COUNTY DOE - FINPLUS

Date: 05/14/2010 Period: 9/10

Search Criteria

Year: 2010 Recommended Vendor: [Search]

Requisition: 20101905 Ship To: [Dropdown]

Buyer: [Text] MANAGER APPROVE: [Dropdown]

Date Requested: [Calendar] Attention: [Text] Select ship code for search

Date Required: [Calendar]

Find Advanced

Requisition	Date	Fiscal Year	Vendor #	Vendor Name	Buyer
20101905	05/14/2010	2010	17320	BUTLER BUSINESS PRODUCTS	ELOUISE LOPEZ

1 match(es) found

OK Back Print Requisitions Set Period Attachments

7. Enter the requisition number under the Requisition box
8. Highlight the requisition
9. Click on the “Print Requisitions” button, the following screen will appear:

Print Requisitions - HARRIS COUNTY DOE - FINPLUS

Date: 05/14/2010 Period: 9/10

Report Information

This option will print or reprint requisitions entered in the system.

Print Options

☒ Print Requisitions ☐ Reprint Requisitions

Requisition Print Criteria

Requisition: [Text]

MANAGER APPROVE: [Dropdown]

Date Requested: [Calendar]

Date Required: [Calendar]

Ship Code: [Dropdown]

Recommended Vendor: [Search]

Freight: [Text]

Buyer: [Text]

Attention Of: [Text]

Year: [Dropdown]

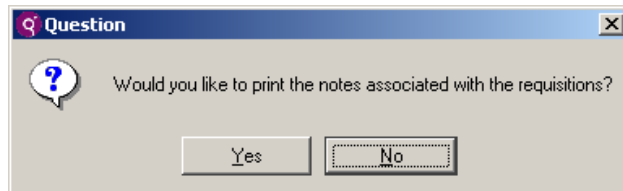
Advanced

Select appropriate report type

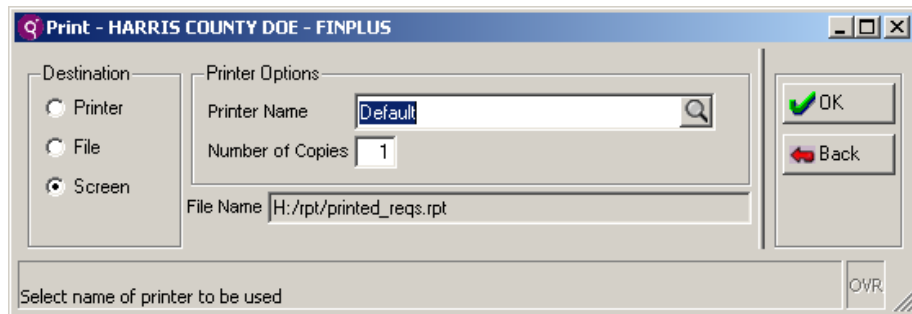
OK Back

- a. If it is the first time printing this requisition, click the “Print Requisitions” button.
- b. If this requisition has been printed in the past, click the “Reprint Requisitions” button.

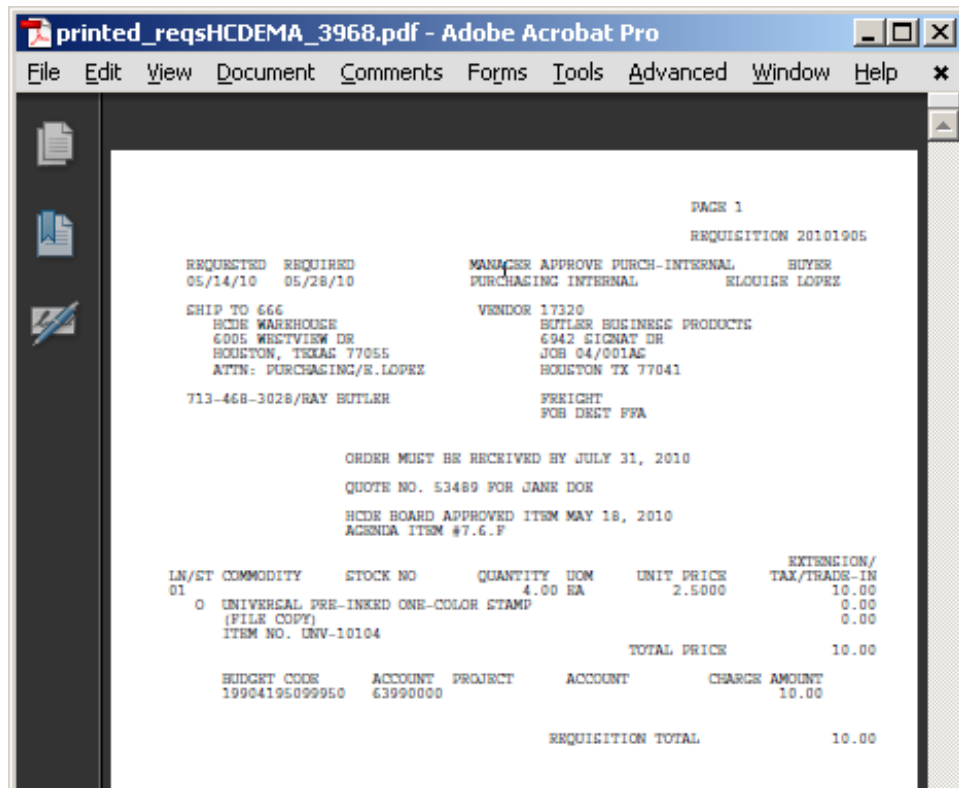
10. Click OK and the following screen will appear asking if you would like to print the notes associated with the requisition, click “Yes”.



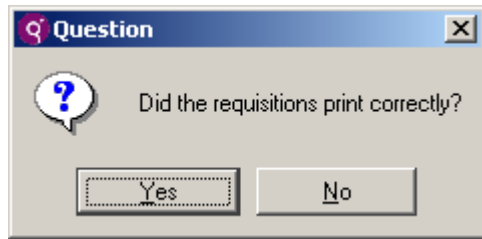
11. The Print screen will appear; click OK and your requisition will print to a PDF file.




12. Your requisition will appear on the screen, you may save it to a file, print it, or email.



13. The following screen will appear; click “Yes” and it will take you back to the “Requisition Printing” screen, to exit, click “Back”.

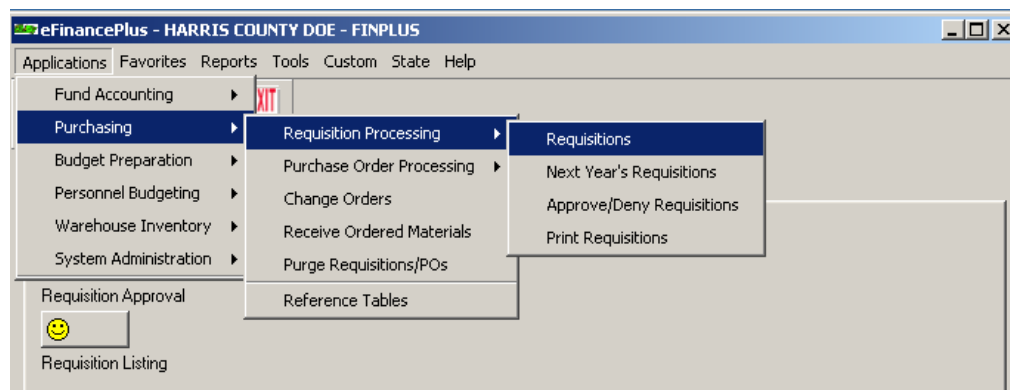


14. The system will return you back to the “Requisition Listing Screen”, to exit, click “Back”.

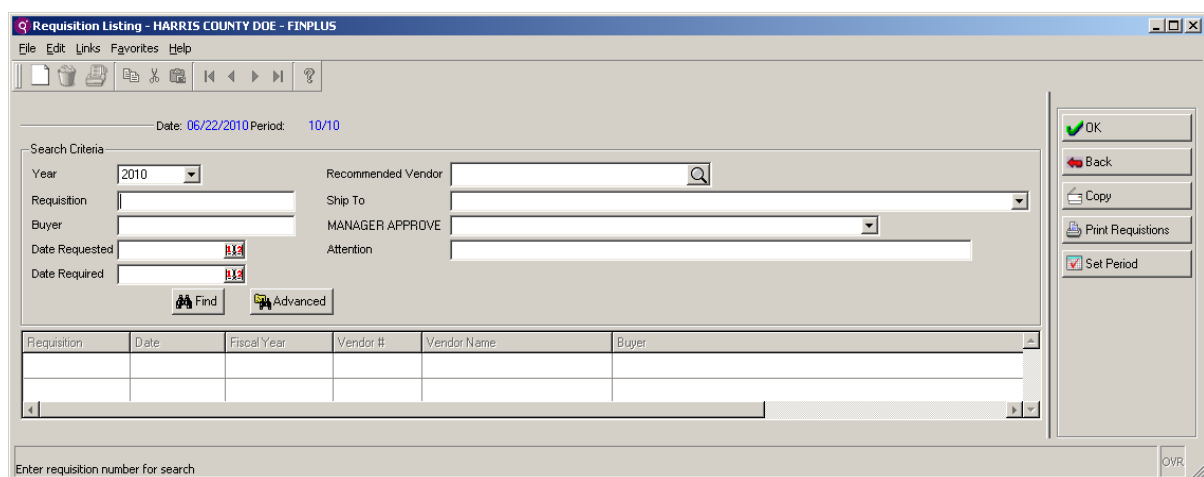
	<b>PROCUREMENT PROCEDURES</b>  <b>HARRIS COUNTY DEPARTMENT OF EDUCATION</b>	Reference:
<div style="display: flex; justify-content: space-between;"> <span>DATE DEVELOPED: 6/22/2010</span> <span>REVISED DATE: 6/22/2010</span> </div>		
<b>SUBJECT:   VIEWING APPROVAL STATUS OF REQUISITIONS</b>		

To view the approval status of a requisition, please follow these steps:

1. Open the Requisition Listing screen by
  - a. clicking on your “Favorites” Icon or
  - b. selecting from the Applications drop-down menu: Purchasing → Requisition Processing → Requisitions (see image below)



The following screen will appear:



The screenshot shows the 'Requisition Listing - HARRIS COUNTY DOE - FINPLUS' screen. The interface includes a menu bar (File, Edit, Links, Favorites, Help), a toolbar with various icons, and a main area with search criteria and a table of requisitions. The search criteria section includes fields for Year (2010), Requisition, Buyer, Date Requested, Date Required, Recommended Vendor, Ship To, MANAGER APPROVE, and Attention. There are 'Find' and 'Advanced' buttons. The table has columns for Requisition, Date, Fiscal Year, Vendor #, Vendor Name, and Buyer. On the right side, there are buttons for OK, Back, Copy, Print Requisitions, and Set Period. At the bottom, there is a search bar labeled 'Enter requisition number for search' and a 'JOVR' button.

2. Note that the fiscal year defaults to the current one; enter the requisition number on the Requisition box (for this example we are using requisition no. 20102145):

Requisition Listing - HARRIS COUNTY DOE - FINPLUS

File Edit Links Favorites Help

Date: 06/22/2010 Period: 10/10

Search Criteria

Year: 2010

Requisition: 20102145

Buyer:

Date Requested:

Date Required:

Find Advanced

3. Click the OK button; the requisition will appear highlighted on the bottom section:

Requisition Listing - HARRIS COUNTY DOE - FINPLUS

File Edit Links Favorites Help

Date: 06/22/2010 Period: 10/10

Search Criteria

Year: 2010

Requisition: 20102145

Buyer:

Date Requested:

Date Required:

Find Advanced

Requisition	Date	Fiscal Year	Vendor #	Vendor Name	Buyer
20102145	06/21/2010	2010	17320	BUTLER BUSINESS PRODUCTS	JASMINE JOSEPH

1 match(es) found

OK Back Print Requisitions Set Period Attachments

4. Click the OK button again, the requisition information will appear, please note the two tabs at the top:

Requisition Information - 20102145 - HARRIS COUNTY DOE - FINPLUS

File Edit Controls Tools Help

Date: 06/22/2010 Period: 10/10

Header Line Item (1 of 5)

General Information

Requisition #: 20102145

MANAGER APPROVE: ABC EAST - ABC EAST GENERAL PURCHASING

Requested: 06/21/2010

Required: 06/28/2010

Vendor: 17320

Vendor Address: BUTLER BUSINESS PRODUCTS, 6942 SIGNAT DR, JOB 04/001AS, HOUSTON, TX 77041

Freight: FOB DEST FFA

Comments: 713 468 3028-RAY BUTLER

Buyer: JASMINE JOSEPH

Attention: ABC-EAST/JOSEPH

Ship To: 601 - ABC EAST, 7703 S. LOOP EAST, HOUSTON, TEXAS 77012

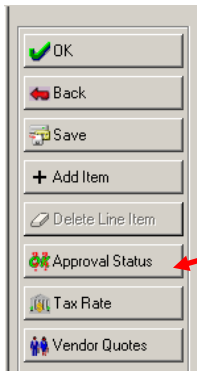
Select Detail Items


Line Item	Description	Quantity	Price	Total	BUDGET CODE	Account	Status
1	PRINTER INK HP 4650 - ITEM #C9721A	1.00	234.9000	234.90	19901160199131	63990000	Partly Approved

OK Back Save Add Item Attachments Notes



5. Click the “Line Item” tab and notice a new set of buttons on the right hand side:



6. Click on the  Approval Status button; the Requisition Approval screen appears and shows five (5) levels of approval:

Requisition Approval - HARRIS COUNTY DOE - FINPLUS

File Edit Help

Req Number 20102145 Line No 1


Level/Code	Approver	Action Date	Action	Required	Comments
1			<input type="radio"/> - No Action	Y - Yes	
2			<input type="radio"/> - No Action	Y - Yes	
3			<input type="radio"/> - No Action	Y - Yes	
4	jweber	06/22/2010	A - Approved	Y - Yes	
5	mrobert	06/22/2010	A - Approved	Y - Yes	

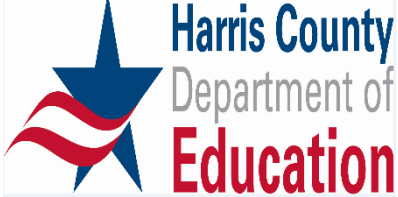
Back

OVR

This screen shows if the requisition has been approved, by whom, and when.

- Level 1 - Assistant Superintendent for Business Services or designee
- Level 2 - Purchasing Director or designee
- Level 3 - Buyer (Purchasing Department)
- Level 4 - Financial Management Director or designee
- Level 5 - Budget Manager (issuing department)

7. When done click on the  Back button.
8. Note: When a requisition has been approved at all levels it is then converted into a Purchase Order.

	<b>PROCUREMENT PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference: <a href="#">CH (LEGAL)</a>
DATE DEVELOPED: 7/02/2009	REVISED DATE: 7/16/2018	
SUBJECT: CHANGES TO APPROVED PURCHASE ORDERS		

Purchase orders that have been processed through all approval levels (i.e., approved by the Assistant Superintendent for Business Services) are considered FINAL in all respects.

The Purchasing Division Staff will not make any changes to any purchase order(s) that have reached the FINAL stage; the only exceptions are as follows:

- 1) Changes in quantities, prices, and/or total increase or decrease to final amount, that have been approved by the board. (a copy of the board agenda must be attached),
- 2) Changes to budget codes due to funding issues,
- 3) Changes in amounts to public utilities,
- 4) Changes to Interlocal contracts when amended total is still less than \$50,000,
- 5) Construction contract change orders less than \$50,000
- 6) Changes to Blanket (open) POs for large expenditures that are unable to be accurately forecast (i.e., LaBatt).

Please fill out the Change Order request (see attachment) and email the request. Also attach any other required backup, such as a signed construction change order. Copy the budget manager, Chief Accounting Officer, the Purchasing Director and the Purchasing Specialist on the email. The budget manager must approve the request.

In all other cases, you will need to request to close the purchase order and issue a new one with the correct information. This is a necessary internal control over the purchasing approval levels.

#### Approval Levels

1. **Budget Manager – email varies by Division**
2. **Chief Accounting Officer – Rosa Maria Torres** -[rmrtorres@hcde-texas.org](mailto:rmrtorres@hcde-texas.org)
3. **Purchasing Director – Bill Monroe** -[bmonroe@hcde-texas.org](mailto:bmonroe@hcde-texas.org)
4. **Purchasing Specialist – Charisma Tolbert** – [ctolbert@hcde-texas.org](mailto:ctolbert@hcde-texas.org)



## **Change Order Request (COR) Form for Purchase Orders**

Date of request \_\_\_\_\_

Requesting Division \_\_\_\_\_

Purchase Order # \_\_\_\_\_

Vendor name \_\_\_\_\_

Reason for the Change Order \_\_\_\_\_

-----

### **Please complete the following:**

**(1) Board Approved Item:** \_\_\_\_\_ If applicable, approval date (attach backup): \_\_\_\_\_

**(2) Budget Code Change:** Yes \_\_\_\_\_ No \_\_\_\_\_

Budget Code (From): \_\_\_\_\_ Account Code: \_\_\_\_\_ Amount \_\_\_\_\_

Budget Code (To): \_\_\_\_\_ Account Code: \_\_\_\_\_ Amount \_\_\_\_\_

**(3) Public Utility:** Yes \_\_\_\_\_ No \_\_\_\_\_

Increase amount from: \_\_\_\_\_ to \_\_\_\_\_

Decrease amount from: \_\_\_\_\_ to \_\_\_\_\_

Change will affect line number: \_\_\_\_\_ with budget code: \_\_\_\_\_ and account code: \_\_\_\_\_

**(4) Interlocal agreement-** Is amended total still less than \$50,000? \_\_\_\_\_ (attach backup)

**(5) Construction contract change order** Is change order less than \$50,000? \_\_\_\_\_ (attach backup)

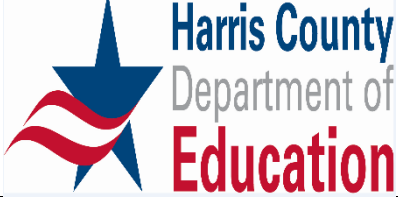
**(6) OTHER (Provide details)**

---

***I certify that the budget(s) has sufficient funds to complete this change order request.***

\_\_\_\_\_  
Administrative Assistant or designee /Date

\_\_\_\_\_  
Budget Manager/Date

	<b>PROCUREMENT PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference: <a href="#">CH (LEGAL)</a>
DATE DEVELOPED: 7/02/2009	REVISED DATE: 7/16/2018	
SUBJECT: CHANGES TO APPROVED PURCHASE ORDERS		

Purchase orders that have been processed through all approval levels (i.e., approved by the Assistant Superintendent for Business Services) are considered FINAL in all respects.

The Purchasing Division Staff will not make any changes to any purchase order(s) that have reached the FINAL stage; the only exceptions are as follows:

- 1) Changes in quantities, prices, and/or total increase or decrease to final amount, that have been approved by the board. (a copy of the board agenda must be attached),
- 2) Changes to budget codes due to funding issues,
- 3) Changes in amounts to public utilities,
- 4) Changes to Interlocal contracts when amended total is still less than \$50,000,
- 5) Construction contract change orders less than \$50,000

Please fill out the Change Order request (see attachment) and email the request. Also attach any other required backup, such as a signed construction change order. Copy the budget manager, Chief Accounting Officer, the Purchasing Director and the Purchasing Specialist on the email. The budget manager must approve the request.

In all other cases, you will need to request to close the purchase order and issue a new one with the correct information. This is a necessary internal control over the purchasing approval levels.

#### Approval Levels

1. **Budget Manager – email varies by Division**
2. **Chief Accounting Officer – Rosa Maria Torres** [-rmtorres@hcde-texas.org](mailto:rmtorres@hcde-texas.org)
3. **Purchasing Director – Bill Monroe** [-bmonroe@hcde-texas.org](mailto:bmonroe@hcde-texas.org)
4. **Purchasing Specialist – Charisma Tolbert** – [ctolbert@hcde-texas.org](mailto:ctolbert@hcde-texas.org)



## **Change Order Request (COR) Form for Purchase Orders**

Date of request \_\_\_\_\_

Requesting Division \_\_\_\_\_

Purchase Order # \_\_\_\_\_

Vendor name \_\_\_\_\_

Reason for the Change Order \_\_\_\_\_

-----

### **Please complete the following:**

(a) **Board Approved Item:** \_\_\_\_\_ If applicable, approval date (attach backup): \_\_\_\_\_

Budget Code Change: Yes \_\_\_\_\_ No \_\_\_\_\_

Budget Code (From): \_\_\_\_\_ Account Code: \_\_\_\_\_ Amount \_\_\_\_\_

Budget Code (To): \_\_\_\_\_ Account Code: \_\_\_\_\_ Amount \_\_\_\_\_

(b) **Public Utility:** Yes \_\_\_\_\_ No \_\_\_\_\_

Increase amount from: \_\_\_\_\_ to \_\_\_\_\_

Decrease amount from: \_\_\_\_\_ to \_\_\_\_\_

Change will affect line number: \_\_\_\_\_ with budget code: \_\_\_\_\_ and account code: \_\_\_\_\_

(c) **Interlocal agreement-** Is amended total still less than \$50,000? \_\_\_\_\_ (attach backup)

(d) **Construction contract change order** Is change order less than \$50,000? \_\_\_\_\_ (attach backup)

***I certify that the budget(s) has the sufficient funds to complete this change order request.***

\_\_\_\_\_  
Administrative Assistant or designee /Date

\_\_\_\_\_  
Budget Manager/Date

**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
**CONFLICT OF INTEREST DISCLOSURE STATEMENT**

Harris County Department of Education (HCDE) is required to comply with Texas Local Government Code Chapter 176, Disclosure of Certain Relationships with Local Government Officers. Any company that does business with HCDE must fill out a Conflict of Interest Questionnaire (CIQ) whether or not a conflict of interest exists. A conflict of interest exists in the following situations:

- (1) The person has employment or other business relationship with the local government officer or a family member resulting in the officer or family member receiving taxable income, and/or
- (2) Your company has given one of HCDE's local government officers or family member one or more gifts (excluding food, lodging, transportation, and entertainment) that has an aggregate value of more than \$250 in the twelve-month period preceding the date the officer becomes aware of an executed contract or consideration of the person for a contract to do business with the Department.

If no conflict of interest exists, you must fill out Box 1 and type N/A on Box 3 of the CIQ form, sign and date it.

Statements must be filed within seven (7) business days after the officer becomes aware a conflict of interest exists.

- HCDE Board of Trustees include:

Mr. Josh Flynn, President  
Dr. George Moore, Vice-President  
Mr. Richard Cantu  
Mr. Eric Dick

Mr. Danyahel Norris  
Mr. Don Sumners  
Mr. Michael Wolfe  
James Colbert, Jr., County Superintendent

- Current local government officers include:

Dr. Jesus J. Amezcua  
Richard Vela  
Dr. Kimberly McLeod  
Danielle Clark

Johnathan Parker  
Natasha Truitt  
Danielle Bartz

**EDGAR Conflict of Interest Requirements**

It should be noted that in accordance with EDGAR requirements as amended on Dec 26, 2014 under 2 CFR Part 200 the requirements include the following: No employee, officer, or agent may participate in the selection, award, or administration of a contract if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which 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 considered for a contract.

The officers, employees, and agents of HCDE may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, HCDE has set a de minimis amount of less than \$50 per year for items that are unsolicited and of minimal and promotional items.

Violations of this standard by an employee will be reported to the Superintendent's Office and addressed through our personnel policies. Violations of this standard by an officer or the Superintendent shall be addressed to the **Board President and addressed through the board policies.**

### **State of Texas Conflict of Interest requirements**

In addition, Chapter 176 of the Local Government Code, a local government officer shall file a **conflict of interest disclosure** with respect to a vendor if

(1) the vendor enters into a contract with the local government entity or the local governmental entity is considering entering into a contract with the vendor **AND**,

(2) the vendor has

(A) an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family receiving taxable income, other than investment income, that exceeds **\$2,500** during the 12-month preceding the date that the officer becomes aware that:

- (i) A contract between the local governmental entity and vendor has been executed by
- (ii) The local governmental entity is considering entering into a contract with the vendor

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that

- (i) a contract between the local governmental entity and vendor has been executed or
- (ii) the local governmental entity is considering entering into a contract with the vendor or

(C) has a family relationship with the local government officer.

# CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person 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 person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.

A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

## OFFICE USE ONLY

Date Received

1 Name of person who has a business relationship with local governmental entity.

2 ☐ 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 the originally filed questionnaire becomes incomplete or inaccurate.)

3 Name of local government officer with whom filer has employment or business relationship.

\_\_\_\_\_  
Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer 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.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

☐ Yes ☐ No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

☐ Yes ☐ No


D. Describe each employment or business relationship with the local government officer named in this section.

4

\_\_\_\_\_  
Signature of person doing business with the governmental entity

\_\_\_\_\_  
Date



	<p><b>PROCUREMENT PROCEDURES</b></p> <p>HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	Reference: <a href="#"><u>CH (LEGAL)</u></a>
DATE DEVELOPED: 3/16/2006		
REVISED DATE: 06/21/2017		
SUBJECT: PURCHASES \$50,000.00 or more		

## PURCHASING CONTRACTS

[Section 44.031 of the Texas Education Code](#) indicates that all contracts, except contracts for the purchase of produce or vehicle fuel, valued at \$50,000 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 to the Department:

1. competitive bidding for services other than construction services;
2. competitive sealed proposals for services other than construction services;
3. a request for proposals, for services other than construction services;
4. an interlocal contract;
5. a method provided by [Chapter 2269, Government Code](#), for construction services;
6. the reverse auction procedure as defined by [Section 2155.062\(d\), Government Code](#); or
7. the formation of a political subdivision corporation under [Section 304.001, Local Government Code](#).

The Purchasing Division and using division must determine the best purchasing method to use. If one of the first three methods is selected, the job will require advertisement.

## ADVERTISEMENT REQUIREMENTS

Notice of the time by when and place where the bids or proposals, or the responses to a request for qualifications, will be received and opened shall be published in Harris County, once a week for at least two weeks before the deadline for receiving bids, proposals, or responses to a request for qualifications.


## **AWARDING FACTORS**

In awarding a proposal contract the Department or the Division shall consider the following factors:

1. the purchase price;
2. the reputation of the vendor and of the vendor's goods and services;
3. the quality of the vendor's goods or services;
4. the extent to which the goods or services meet the Department's or the division's needs;
5. the vendor's past relationship with the Department or the division;
6. the impact on the ability of the Department or the division to comply with laws relating to historically underutilized businesses;
7. the total long-term cost to the Department or the division to acquire the goods or services;
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:
  - a. has its principal place of business in this state; or
  - b. employs at least 500 persons in this state; and
9. any other relevant factor specifically listed in the request for bids or proposals.

The Department or the Division may apply one, some, or all the criteria listed above, but it may not completely ignore them.

In awarding a bid contract the Department or the division shall make award to lowest responsible bidder and, as the governing body determines, may be let on a lump-sum basis or unit price basis.

	<p><b>PROCUREMENT PROCEDURES</b></p> <p>HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	Reference: <u>CH (LEGAL)</u> CH (LOCAL) Uniform Grant Guidance (EDGAR)
DATE DEVELOPED: 3/16/2006		REVISED DATE: 6/21/2017
SUBJECT: PURCHASES UNDER \$50,000		

When making purchases for goods or services less than \$50,000, use the following guidelines:

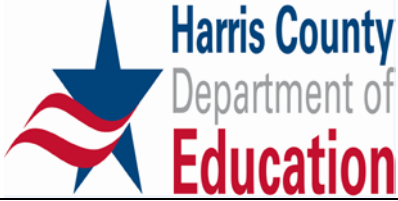
1. If a good or service is available through an Internal Purchasing or Choice Partners awarded vendor, the good or service **must** be purchased through the Internal Purchasing or Choice Partners awarded vendor, **regardless of dollar amount.**
2. If the product or service is **unavailable** through Internal Purchasing or Choice Partners awarded vendors, other vendors may be solicited.
3. Contracts **below \$2,500** require one written quote.
4. Contracts between **\$2,501 and \$49,999** require three written quotes using the "Request for Written Quotes for Goods/Service" form (one form per vendor) and the quote directly from the vendor, unless the good or service is available through an awarded Internal or Choice Partners vendor (only one quote required). If unavailable internally or through Choice Partners, other cooperative contracts with which HCDE has an established interlocal contract may be used (e.g. Buy Board, DIR, TCPN, HGAC, etc.).
  - If a good or service is not available Internally or through Choice Partners, it is not feasible to obtain three written quotes, and federal funds will not be used, a memorandum explaining why three quotes cannot be obtained that is signed by an Executive Leadership Team (ELT) member **must** be submitted with the requisition.

A list of current Internal Purchasing awarded vendors is located in the Purchasing Portal; Choice Partners awarded vendors are located in the Choice Partners website.

The award is normally made to the lowest bidder meeting specifications and requirements of HCDE. A vendor who is other than low bidder may be selected, but valid written justification as to why HCDE is bypassing low bidder must be documented for audit purposes.

During any one fiscal period, the Purchasing Office will monitor purchases under \$50,000 by commodity to determine the need for a bid (job). After reaching the \$50,000 for that commodity, the divisions are required to procure the goods or services or use vendors from other cooperatives.

A Certificate of Insurance is required if vendor will perform work on HCDE premises regardless of dollar amount.

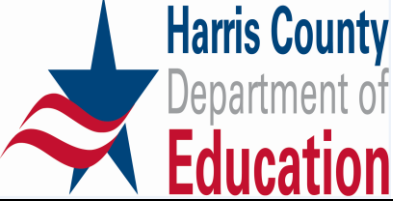
	<b>PROCUREMENT PROCEDURES</b>  <b>HARRIS COUNTY DEPARTMENT OF EDUCATION</b>	Reference: <a href="#"><u>CH (LEGAL)</u></a>
<b>DATE DEVELOPED: 3/16/2006</b>		<b>REVISED DATE: 6/21/2017</b>
<b>SUBJECT: EMERGENCY PURCHASES</b>		

If HCDE has damages due to a catastrophe, emergency situation or Act of God (force majeure) that prevents or substantially impairs the conduct of classes, delivery of services, or other essential Department or division activities, then normal purchasing methods may be by-passed.

This means that purchases, including those \$50,000 or more, will be made as follows:

1. Secure quote from the vendor (company) providing the goods or services. Three (3) quotes is still the preferred method if at all possible; otherwise obtain one (1) quote.
2. Obtain insurance certificate for work that is going to be performed on HCDE premises.

No advertisement will be required for purchases of \$50,000 or more. Purchases over \$50,000 will appear on the next Board Agenda for ratification.

	<b>PROCUREMENT PROCEDURES</b>  <b>HARRIS COUNTY DEPARTMENT OF EDUCATION</b>	Reference: <a href="#"><u>CH (LEGAL)</u></a>
<b>DATE DEVELOPED: 3/16/2006</b>		<b>REVISED DATE: 5/14/2010</b>
<b>SUBJECT: SOLE SOURCE PURCHASES</b>		

Per Texas Education Code § 44.031 (j):

- (j) Without complying with Subsection (a), a school district may purchase an item that is available from only one source, including:
  - (a) an item for which competition is precluded because of the existence of a patent, copyright, secret process, or monopoly;
  - (b) a film, manuscript, or book;
  - (c) a utility service, including electricity, gas, or water; and
  - (d) a captive replacement part or component for equipment.
- (k) The exceptions provided by Subsection (j) do not apply to mainframe data-processing equipment and peripheral attachments with a single-item purchase price in excess of \$15,000

For sole source purchases, a letter on company letterhead, addressed to HCDE, and signed by the company's authorized representative is required; it must state that they are the sole manufacturer and sole distributor in Houston, Texas of the goods or services being offered.

## **INSTRUCTIONS FOR SOLE SOURCE AFFIDAVIT**

### **APPLICABILITY:**

These instructions are applicable to vendors requesting sole source vendor status.

### **CRITERIA:**

In order to comply with the State of Texas definition of a sole source provider, the proposer must meet the requirements of Texas Education Code § 44.031 (j) Sole Source, as described below:

Selected purchases may be exempt from competitive procurement if they meet the established criteria for a sole source purchase:

- Identification and confirmation that competition in providing the item or product to be purchased is precluded by the existence of a patent, copyright, secret process or monopoly
- Identification and confirmation that the product is a film, manuscript, book, utility service (including electricity, gas, or water), or a captive replacement part or component for equipment
- Sole source does not apply to mainframe data-processing Equipment and peripheral attachments with a single item purchase price in excess of \$15,000.

### **REQUIREMENTS:**

It is incumbent upon the Department to obtain and retain documents from the vendor which clearly delineates the reasons that qualify the purchase to be made on a sole source basis.

In order to do business with HCDE as a Sole Source Vendor, HCDE must receive a notarized Sole Source Affidavit along with proof of your company qualifying as a sole source.

Please mail this information to:

Harris County Department of Education  
Attn: Purchasing Office  
6300 Irvington Blvd.  
Houston, Texas 77022-5618

### **RESERVATIONS:**

HCDE reserves the right to decide if your company is indeed a qualified Sole Source Vendor.

(On Vendors Letterhead)  
**SOLE SOURCE AFFIDAVIT**

Before me, the undersigned official, on this day, personally appeared \_\_\_\_\_, a person known to me to be the person whose signature appears below, whom after being duly sworn upon his oath deposed and said:

1. My name is \_\_\_\_\_, I am over the age of 18, have never been convicted of a crime and being competent to make the affidavit.
2. I am an authorized representative of the following company or firm:  
\_\_\_\_\_
3. The above named company or firm is the sole source of the following item(s), and no other company or firm in the United States of America sales or distributes the product(s) listed below:  
\_\_\_\_\_  
\_\_\_\_\_*(attach additional sheet(s) if necessary to list all items)*
4. Competition in providing the above named item(s) or product is precluded by the existence of a patent, copyright, secret process, or monopoly.
5. The product is a film, manuscript, book, a utility service (including electricity, gas, or water), or a captive replacement part or component for equipment.
6. There is/are no other like item(s) or product(s) available for purchase that would serve the same purpose or function and there is only one price for the above named item(s) or product(s) because of exclusive distribution or marketing rights.

\_\_\_\_\_  
Signature of Authorized Vendor Official

\_\_\_\_\_  
Title of Authorized Vendor Signature

\_\_\_\_\_  
Signature of Supervisor of Authorized Vendor Official

\_\_\_\_\_  
Title of Authorized Vendor Signature

*Affidavit will be valid for two (2) years from date subscribed and sworn.*

SUBSCRIBED AND SWORN to before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

(SEAL)

\_\_\_\_\_  
Notary Public Signature

\_\_\_\_\_  
Printed Name


\_\_\_\_\_  
Date Commission Expires

Company: \_\_\_\_\_ Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, and Zip: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax: \_\_\_\_\_

	<p align="center"><b>PROCUREMENT PROCEDURES</b></p> <p align="center"><b>HARRIS COUNTY DEPARTMENT OF EDUCATION</b></p>	<p>Reference: <a href="#"><u>CH (LEGAL)</u></a></p>
<p><b>DATE DEVELOPED: 3/16/2006</b></p>		<p><b>REVISED DATE: 06/27/2018</b></p>
<p><b>SUBJECT: COMPETITIVE BID VS COMPETITIVE PROPOSAL</b></p>		

A competitive bid and a competitive proposal are both purchasing methods that may be used when making formal purchases valued at \$50,000 or greater. The key difference between the two methods is that the competitive bid does not allow for negotiation and the competitive proposal does allow for negotiations.

### Competitive Bid

Competitive Bids, or Invitation to Bid (ITB), are used when you are able to clearly define what goods or services you need. Below are examples of defined goods or services:

- The purchase of an automobile might read: Qty. 2/each, 4/door sedan (handle 5/adults comfortably), 5.0-liter engine, rear wheel drive, white in color, cloth seating material, am/fm radio, AC, automatic transmission, and tinted windows.
- The purchase of books might read: Qty. 1,500/each, Merriam-Webster's Collegiate Thesaurus, hard bound edition, ISBN 0-8779-169-4.
- The purchase of window cleaning services might read: Qty. 1/year service, contractor shall clean storefront windows (10/ea, 72" X 72") both on the outside and inside of each window once-a-week at the following address: HCDE, 6300 Irvington Blvd., Houston, TX 77022-5618.
- The purchase of garbage collection services might read: Qty. 1/year service, contractor shall be responsible for emptying one (1) 4/cubic yard dumpster on Mondays-Wednesdays-Fridays, located at HCDE, 6300 Irvington Blvd., Houston, TX 77022-5618

*Typically, a competitive bid is awarded to the lowest bidder meeting specification requirements. At times, the low bidder can be by passed if the bid does not meet the specification criteria or other critical information requested in the bid such as delivery dates.*

### Competitive Proposal

Competitive Proposals, Request for Proposal (RFP), are used when the user has a good idea of what he/she wants but there might be different ways of arriving at the same goal. Competitive proposals may be the preferred method of acquisition when the need exists to generate a spectrum of alternative responses to the need proposed and to retain the ability to refine these responses through negotiation.



The competitive proposal will have a scope of work that describes the goods or services being purchased and the application, but HCDE is going to leave it up to the company as to how to best accomplish the end result.

For example, HCDE may be looking for a software system that accomplishes the following:

- Financial software system
- Windows based
- Service up to 1000 users
- Meets Texas' Public Education Information Management System (PEIMS) reporting requirements
- Expandable with HCDE growth


HCDE will also explain in the competitive proposal how proposals will be evaluated using the pre-determined evaluation criteria. The evaluation criteria may consist of *some or all* the following items with an attached weight or point system:

#### **SAMPLE CRITERIA**

#### **SAMPLE POINT SYSTEM**


- |  |           |
|--|-----------|
| 1. Purchase price.   | (30/pts.) |
| 2. The reputation of the vendor and the vendor's goods and services.   | (20/pts.) |
| 3. The quality of the vendor's goods or services.  | (20/pts.) |
| 4. The extent to which the goods or services meets HCDE's needs.   | (10/pts.) |
| 5. The vendor's past relationship with HCDE.   | (5/pts.)  |
| 6. The impact on the ability of HCDE to comply with laws relating to historically underutilized businesses ( <i>Federal grants</i> ).  | (0/pts.)  |
| 7. The total long-term cost to HCDE to acquire the goods or services.  | (10/pts.) |
| 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: | (0/pts.)  |
| a. has its principal place of business in this state; or   |           |
| b. employs at least 500 persons in this state; and   |           |
| 9. Any other relevant factor specifically listed in the ITB or RFP.  | (5/pts.)  |

Typically, a competitive proposal is awarded to the most responsive and responsible respondent receiving the highest overall ranking, as decided by an evaluation committee using evaluation criteria set in the competitive proposal. In addition, HCDE may elect to negotiate any part of the final contract that both parties agree as the final contract.

	<p align="center"><b>PROCUREMENT PROCEDURES</b></p> <p align="center"><b>HARRIS COUNTY DEPARTMENT OF EDUCATION</b></p>	<p>Reference: <a href="#"><u>BBFB (Legal)</u></a></p>
<p><b>DATE DEVELOPED: 3/16/2006</b></p>		<p><b>REVISED DATE: 7/1/2015</b></p>
<p><b>SUBJECT: Code of Conduct</b></p>		

HCDE employees must adhere to following code of conduct when conducting business on behalf of HCDE:

- Avoid accepting any monetary or non-monetary items including gifts valued at \$50 or more. This includes tickets to sporting events, use of facilities, equipment or other services that would normally cost user \$50 or more.
- Do not accept payment for public speaking engagements on company time.
- Do not use position at HCDE to gain benefit or with intent to harm or defraud another either intentionally or knowingly. This includes misuse of HCDE property and personnel for personal gain.
- Avoid hiring anyone that will report directly to you that is tied to you by blood (consanguinity) within the third degree or by marriage (affinity) within the second degree.
- Limit or avoid situations that have the appearance of favoritism, special treatment or privilege.
- Adhere to conflict of interest guidelines under EDGAR, provision 2 CFR 200 rules and Chapter 176 of the Texas Local Government Code.

	<p style="text-align: center;"><b>PROCUREMENT PROCEDURES</b></p> <p style="text-align: center;">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p>
<p>DATE DEVELOPED: 4/30/2007</p>		<p>REVISED DATE: 3/25/2009</p>
<p>SUBJECT: LEASE OR PURCHASE ANALYSIS</p>		

Lease vs. purchasing is a decision that comes up from time to time. The table in the next page will assist you in arriving at the best decision. Below are some of the terms you may encounter when performing the lease or purchase analysis.

#### **DEFINITIONS:**

- Term (in months) - Term number of months for payment of the lease.
- Down Payment - Initial amount paid before monthly lease payments begin.
- Other Fees - Other fees, besides the down payment, including license, title transfer fees, etc., may be required to be paid at the close (at the signing) of the lease or purchase.
- Total Purchase Price - Purchase price plus all fees, shipping and set-up costs and less the manufacturer's rebate.
- Interest Rate - Annual interest rate for lease or purchase.
- Sales Tax Rate - HCDE does not pay Texas sales taxes; however, HCDE does pay the sales taxes of all other states. Percentage sales taxes to be charged on the purchase. Sales taxes may be included in lease payment. Sales taxes for purchasing are charged on the total sale amount.
- Residual Percent - For leases, this is remaining value after the lease term expires. Typically, the higher the residual percent, the lower your lease payment will be.
- Market Value of Vehicle-Value of your auto after the lease term is over.
- Investment Rate of Return - Rate of return on investments. This is the return that you would make if you were to invest your down payment and monthly lease payments instead of using it to purchase.
- Lost Interest on Buy Option - This is any interest you would have earned at your investment rate of return had you used the purchase option.
- Lost Interest on Lease Option - This is amount of interest you would have earned at your investment rate of return had you used the lease option.

**DIRECTIONS:**

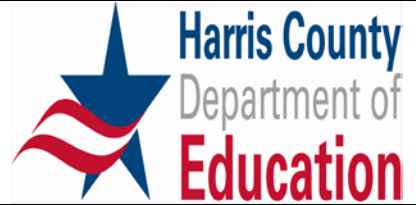
Complete both schedules.

The Purchasing Director, Compliance Officer, or Financial Manager in the Business Office may assist you in filling out the schedules below and/or making your lease or purchase decision.

<b>PURCHASE</b>			
<b>Item</b>	<b>Description</b>	<b>Add/Subtract</b>	<b>Dollar Amount</b>
1.	Down Payment Amount	+	
2.	Lost Interest on Purchase Option	+	
3.	Loan Payment Amt. X Number of Installments	+	
4.	Maintenance Cost (if applicable)	+	
5.	Insurance Cost (if applicable)	+	
6.	Operating Cost	+	
8.	Salvage Market Value (if applicable)	-	
	<b>Net Cost of Purchasing:</b>		

<b>LEASE</b>			
<b>Item</b>	<b>Description</b>	<b>Add/Subtract</b>	<b>Dollar Amount</b>
1	Down Payment + Other Up-Front Fees	+	
2	Total Lease Payments (Monthly Amt. X Number of Mos.)	+	
3.	Maintenance Cost (if applicable)	+	
4.	Operating Cost	+	
5.	Insurance Cost (if applicable)	+	
5	Lost Interest Lease Option	+	
	<b>Net Cost of Leasing:</b>		

The table showing the lower "Net Cost" represents the lease or purchase alternative that is more cost effective.

	<p align="center"><b>PROCUREMENT PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference: <a href="#">CH (LOCAL)</a></p>
<p><b>DATE DEVELOPED: 1/7/09</b></p>	<p><b>REVISED DATE: 06/27/2018</b></p>	
<p><b>SUBJECT: How to do business through the Choice Partners Cooperative</b></p>		

### **Purpose**

Provide procedures for conducting business through the Choice Partners Cooperative.

### **Procedure**

The procedure for accessing HCDE's Choice Partners Cooperative contracts includes the following steps.

#### **Step # 1**

A government organization (client) that wishes to participate in the Cooperative and access these contracts must become a member of the Cooperative. There is a list of client members on the website.

#### **If not a member, the government must:**

- A. Approve the interlocal contract located on the Choice Partners Cooperative (CPC) website. It can be downloaded, completed, signed and returned to:

Harris County Department of Education (HCDE)  
 Bill Monroe, Purchasing Director  
 bmonroe@hcde-texas.org  
 Phone: 713-696-8242  
 6300 Irvington Boulevard  
 Houston, Texas 77022-5618

- B. This action makes the purchase order to the Cooperative contractor a legally compliant purchase under [Chapter 44 of the Texas Education Code](#) and [Chapter 791 of the Texas Government Code](#).

#### **Step # 2**

#### **After becoming a member:**

Once the client becomes a Cooperative member, the client can access any of the Cooperative's contracts. All contractors are located on the website [www.choicepartners.org](http://www.choicepartners.org) along with their contact information.

### Step # 3

#### Contacts

The client member contacts the awarded contractor and identifies the required scope of work and issues a purchase order to the contractor.

#### Pricing

- A. Once the client member agrees to the contract pricing and scope of work, a copy of the purchase order will be sent to the contractor with a copy to CPC.
- B. Choice Partners Cooperative staff is available if either party needs clarification or verification of contract terms and conditions.

Harris County Department of Education (HCDE)  
Jeff Drury, Choice Partners Director  
[jdrury@hcde-texas.org](mailto:jdrury@hcde-texas.org) Ph: 713-696-0786  
6005 Westview Drive  
Houston, Texas 77055

#### Contract Terms

- A. Contracts on each contractor may be requested from CPC by the client member. Contractor territories and contracts allowed under each contract are posted on the CP website.
- B. CPC contractors are required to adhere to the contract pricing and standard terms and conditions as approved through the Choice Partners Cooperative.
- C. CPC contractors are required to meet education code requirements in terms of payment and performance bonds. CPC contractors will provide an estimate of the additional costs involved.
- D. CPC contractors are required to meet architectural and engineering requirements if above the state requirements. CPC contractors will provide an estimate of the additional costs involved.


### Step # 4

#### Contract Monitoring

- A. Contract monitoring and management will be the responsibility of the government entity unless additional services are requested of the cooperative. CPC will quote on management fees as needed.
- B. Contract monitoring and contractor inspections will be conducted on an as needed basis by the Choice Partners Cooperative.

---

For additional questions, please visit the Choice Partners Cooperative Website  
[www.choicepartners.org](http://www.choicepartners.org)

	<p align="center"><b>PURCHASING COOPERATIVE PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p> <p align="center"><a href="#"><u>CH Legal</u></a> and <a href="#"><u>CH Local</u></a></p>
<p><b>DATE DEVELOPED: 12/10/08</b></p>		
<p align="right"><b>REVISED DATE: 5/17/10</b></p>		
<p><b>SUBJECT: Handling Requests for Proposals or Bids (Internal and Cooperatives)</b></p>		

### **Purpose**

To provide guidelines for handling bids and request for proposals by Internal Purchasing or any cooperative of the Harris County Department of Education

### **Definition**

A cooperative is an arrangement for members to aggregate requirements for services and goods to obtain lower prices from awarded vendors. The following are HCDE Purchasing Cooperatives:

1. Choice Partners Cooperative
2. Records Management

### **Procedures**

1. All divisions must perform a needs assessment annually to determine the proposals that must be developed by the Purchasing Department.
2. All technology-related purchases require the participation and approval of the Technology Division. In addition:
  - a. All purchases of technology above \$500 must be purchased from a vendor approved by the HCDE Purchasing Cooperative or be a Texas Department of Information Resources (DIR) Vendor.
  - b. Three quotes are required from DIR vendors or one from HCDE Purchasing Cooperative Vendors.
  - c. Vendors who are not on DIR or the HCDE Purchasing Cooperative cannot be used to purchase technology hardware or software.
3. All facility-related (i.e. construction) purchases require the participation and approval of the Facilities Division.
4. All temporary services (i.e. temp employees) purchases require the participation and approval of the Human Resource Division.
5. All items considered for purchase must adhere to the Purchasing Policy of the Department which is codified primarily in [CH Legal](#) and [CH Local](#). Other local

government codes, education codes, and government rules and regulations may apply as appropriate depending on the type of commodity being purchased.

6. The Procurement Policy must be reviewed annually by a Policy Committee and the Board of Trustees for updates.
7. All purchases shall require the Purchasing Director to identify the method of procurement in accordance with [CH Legal](#) and [CH Local](#).
8. All methods of procurement shall be reviewed and approved by the Purchasing Director.
9. All requests for proposals or bids must be reviewed and approved by the Purchasing Director and the Assistant Superintendent for Business before issuance of the proposal on the market.
10. All Purchasing staff shall review and become acquainted with the procurement policies adopted by the State of Texas and the HCDE Board of Trustees.
11. Purchasing staff are required to meet 8 hours of professional development in the area of procurement each year. Purchasing staff will make sure that all purchases adhere to [CH Legal](#) and [CH Local](#) and other applicable laws.
12. Purchasing staff will follow the Purchasing threshold established by the Board of Trustees.
13. The Purchasing Director shall develop a template for standard conditions for bids and proposals.
14. All proposals (jobs) must be posted in accordance with procurement laws of the State of Texas and shall be awarded by the Board of Trustees.
15. All contract renewals (jobs) must be submitted for recommendation to the Board of Trustees.

## **Guidelines**

The following guidelines should be followed to ensure the efficient procurement of the commodities:

### **Responsibility of the *Buyer or Procurement Officer***

1. Adhere to these procurement policies and procedures
2. Adhere to [CH Legal](#), [CH Local](#) and other policies.
3. Adhere to HCDE Code of Ethics policies and Fraud Prevention procedures
4. Prepare a needs assessment review of the division's or the member's needs; these needs assessment reviews include confirming quantities, specs, delivery dates, quality and any information required by the requester of the commodity or service.
5. Prepare a template for proposal or bid.
6. Prepare a notice on two (2) subsequent weeks as required by State laws.



7. Identify and assign recommendation committee members for the bid or request for proposal evaluations
8. Prepare guidelines for committee members and provide guidance concerning procurement issues.
9. Coordinate the agenda items by:
  - a. Reviewing recommendations
  - b. Preparing anticipated agenda items and board agenda items
  - c. Prepare supporting documentation for the agenda
  - d. Attend the agenda review meeting
10. Prepare a monthly CH Local Report on commodities above \$20,000
11. Prepare an annual review of the purchasing policy by the HCDE Board of Trustees
12. Update the website and PSA for HCDE Cooperative vendors
13. Follow up with vendors quarterly to secure the Cooperative fees from vendors.
14. Update vendor file as needed
15. Update vendors insurance and certifications, as needed, prior to renewal of contract
16. For renewals, secure recommendation from division manager and vendor prior to placing on the agenda
17. Update central contract monitoring list and coordinate with Contract Coordinator for contract review, contract form processing and signature

**Responsibility of the Procurement Director**

1. Adhere to HCDE procurement policies and procedures
2. Adhere to [CH Legal](#), [CH Local](#) and other applicable policies
3. Adhere to HCDE Code of Ethics policies and Fraud Prevention procedures
4. Prepare a needs assessment review of the division's or the member's needs; these needs assessment reviews include confirming quantities, specs, delivery dates, quality and any information required by the requester of the commodity or service.
5. Prepare a template for proposal or bid.
6. Prepare a notice on two (2) subsequent weeks as required by State laws.
7. Identify and assign recommendation committee members for the bid or request for proposal evaluations
8. Prepare guidelines for committee members and provide guidance concerning procurement issues.

9. Coordinate the agenda items by:
  - a. Reviewing recommendations
  - b. Preparing anticipated agenda items and board agenda items
  - c. Prepare supporting documentation for the agenda
  - d. Attend the agenda review meeting
10. Prepare a monthly CH Local Report on commodities above \$20,000
11. Prepare an annual review of the purchasing policies for the HCDE Board of Trustees
12. Update the website and PSA for HCDE Cooperative vendors
13. Follow up with vendors quarterly to secure the Cooperative fees from vendors.

#### **Responsibility of *Division Manager***

1. Adhere to HCDE procurement policies and procedures
2. Adhere to [CH Legal](#), [CH Local](#) and other applicable policies
3. Adhere to HCDE Code of Ethics policies and Fraud Prevention procedures
4. Prepare a needs assessment review of the division's needs; this needs assessment review include confirming quantities, specs, delivery dates, quality and any information required by the requester of the commodity or service.
5. Participate in the Recommendation Committee or assign a division professional staff member.
6. Attend the agenda review meeting and Board Meeting
7. Follow up and submit a purchase order to encumber the funds
8. Monitor expenditures and adhere to contract requirements and limits

#### **Responsibility of *Cooperative Member***

1. Adhere to these procurement policies and procedures
2. Adhere to [CH Legal](#), [CH Local](#) and other applicable policies
3. Adhere to Code of Ethics Policies and Fraud Prevention Policies
4. Prepare a needs assessment review of the member needs; this needs assessment review includes confirming quantities, specs, delivery dates, quality and any information required by the requester of the commodity or service.
5. Participate in the Recommendation Committee or assign a professional staff member.
5. Follow up and submit a purchase order to encumber the funds and reference job number

6. Send copy of purchase order to HCDE for monitoring sales of vendors under Cooperative contracts.

Additional review for Choice Partners Cooperative **construction contracts**:

1. Choice Partners staff will review contracts and requirements under Job Order Contracting
2. Choice Partners staff will monitor the contracts to make sure that quality is provided under the contracts
3. Choice Partners will audit contracts periodically for compliance with law and contract

_____ Approved	_____ Date	_____ Reviewed by	_____ Date
-------------------	---------------	----------------------	---------------



**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** \_\_\_\_\_

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 \$50,000 (Requires Buyer, Purchasing Director/CFO Approval)  
  X   \$50,000 or more (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.



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.



**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. Amezcua, Ph.D., CPA, 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)

---



**Harris County Department of Education  
Business Office/Purchasing Division**

**Instructions  
to Recommendation Committee**

[This form is used to document due diligence by Purchasing Division]

---

**To: Recommendation Committee**  
Johnathan Parker, Assistant Supt. for Academic Support  
Jimmy Wynn, Special Assistant to Superintendent  
Jay Atkins, Director of Construction  
Venetia Peacock, Senior Director of Head Start

**From: Purchasing Division – Procurement Coordinator: Yaritza Roman**

Job (Bid or RFP) # and Name: 15/045YR Lease of a Baytown Head Start Facility for HCDE

Board Meeting Date: July 21, 2015

Today's Date: July 15, 2015

Attached are the following materials for your review and possible recommendation to the Superintendent and the Board of Trustees:

- Vendor Response
- Bid Attributes
- Proposed Lease Agreement
- Evaluation form

Your responsibility for review of this job (RFP 15/045YR) is to make sure that HCDE receives the best value for the goods and services sought. Please review the attached job (bid or RFP) and certify that all of the procurement requirements have been met in accordance with local Board Policies and legal (federal and state) policies and administrative guidelines set by the Business Office and the Purchasing Division.

A quick reminder on 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. In addition, Board policy CH Local and Legal are required to be met as part of your contractual obligation with HCDE.

**EDGAR Conflict of Interest Requirements**

It should be noted that in accordance with EDGAR requirements as amended on Dec 26, 2014 under 2 CFR Part 200 conflict of interest requirements include the following: No employee, officer, or agent may participate in the selection, award, or administration of a contract if he or she has a real or apparent conflict of interest. Such a conflict of interest would





arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which 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 considered for a contract.

The officers, employees, and agents of HCDE may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, HCDE has set a de minimis amount of less than \$50 per year for items that are unsolicited and of minimal and promotional items.

Violations of this standard by an employee will be reported to the Superintendent's Office and addressed through our personnel policies. Violations of this standard by an officer or the Superintendent shall be addressed to the **Board President and addressed through the board policies.**

### **State of Texas Conflict of Interest requirements**

In addition, Chapter 176 of the Local Government Code, a local government officer shall file a **conflict of interest disclosure** with respect to a vendor if

(1) the vendor enters into a contract with the local government entity or the local governmental entity is considering entering into a contract with the vendor **AND**,

(2) the vendor has

(A) an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family receiving taxable income, other than investment income, that exceeds **\$2,500** during the 12-month preceding the date that the officer becomes aware that:

- (i) A contract between the local governmental entity and vendor has been executed by
- (ii) The local governmental entity is considering entering into a contract with the vendor

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that

- (i) a contract between the local governmental entity and vendor has been executed or
- (ii) the local governmental entity is considering entering into a contract with the vendor or

(C) has a family relationship with the local government officer.

It should be noted that if a required document is not provided by the bidder, the Purchasing Division will not be able to make a recommendation and or issue a purchase order.

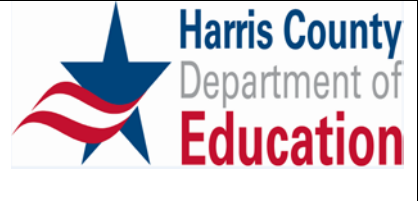
Please review the responses to the job (bid or RFP).



## Received memo:

**To:**           **Recommendation Committee**  
Johnathan Parker, Assistant Supt. for Academic Support \_\_\_\_\_  
Jimmy Wynn, Special Assistant to Superintendent        \_\_\_\_\_  
Jay Atkins, Director of Construction                        \_\_\_\_\_  
Venetia Peacock, Senior Director of Head Start           \_\_\_\_\_

**From:**       **Purchasing Division – Procurement Coordinator: Yaritza Roman**

	<p align="center"><b>ACCOUNTING PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p> <p><a href="#"><u>CH (LEGAL &amp; LOCAL)</u></a></p>
<p><b>DATE DEVELOPED: 1/6/09</b></p>	<p><b>REVISED DATE: 5/14/2010</b></p>	
<p><b>SUBJECT: Procedures for establishing recommendation committees</b></p>		

## **PURPOSE**

To provide guidelines for establishing recommendation committees for HCDE and HCDE Cooperative's Request for Proposals (Jobs) handled through the Purchasing Department on behalf of all HCDE Divisions.

## **PROCEDURE**

All requests for proposals/bids will require that the Buyer provide the following to the recommendation committee:

- 1) Identify and provide needed training on purchasing laws (i.e. [CH Legal](#) and [CH Local](#))
- 2) Identify the format to be used by the recommendation committee
- 3) Identify the recommendation committee as follows:

The recommendation committee shall consist of 3 to 5 individuals:

- A. In General, for **Internal** Proposals/Bids involving Internal Purchasing,
  - i. Two individuals from the Recommending Division – Manager or Director level
  - ii. One individual from a special division: Business or Technology – Manager or Director level
  - iii. One individual from outside of the division – Manager or Director level
  - iv. One individual (if available) from User Division

- B. For Proposals/Bids involving **Choice Partners** Cooperative:

The Advisory Committee of the Cooperative will be the recommending committee, but it will include an individual from the Business or Purchasing Divisions.

C. For Proposals/Bids involving **Construction** Cooperatives:

The advisory Committee of the Cooperative will be the recommending committee, but it will also include individuals from:

- i. Two individuals from the Recommending Division – Manager or Director level
- ii. One individual from a special division or outside of the division: Business, Technology, or other – Manager or Director level

**RESPONSIBILITIES:**

- 1) Responsibility of the HCDE Divisions and Cooperatives - Divisions will be asked to serve on recommendations committees. Purchasing Buyers will provide training before any administrator is asked to serve on a committee.
- 2) Responsibility of the Recommendation Committee - As a member of the recommendation committee, he or she must disclose any conflict of interest that would prevent him or her from recommending the best value to HCDE Board of Trustees.
- 3) Responsibility of the Purchasing Division - The Purchasing Director shall evaluate the committee recommendations and perform a due diligence review for compliance with the purchasing laws.



**Harris County Department of Education  
Business Office /Purchasing Division  
Effectiveness and Compliance Review Form**

[This form is used to document due diligence by Buyer]

---

To: Purchasing Audit File and Jesus J. Amezcua, CPA,  
Assistant Supt. for Business

From: Buyer: \_\_\_\_\_

Purchasing Dept: Bill Monroe, CPA, Purchasing Director

Job- Bid or RFP# and Name: \_\_\_\_\_

Board Meeting Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Procurement Requirements Applicable:**

Check One:

- \_\_\_\_\_ Under \$2,500 (Requires Division Director and Asst Supt. Approval)
- \_\_\_\_\_ From \$2,500 to \$50,000 (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 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)



**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**


Job (Bid or RFP#) and Name: \_\_\_\_\_

Board Meeting Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Procurement Requirements Available:**

Check One:

- \_\_\_\_\_ Under \$2,500 (Requires Division Director and Asst Supt. Approval)
- \_\_\_\_\_ From \$2,500 to \$50,000 (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 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.

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:**

(Any information that pertains to this job (bid or RFP))

Job #: \_\_\_\_\_

**Recommendation:**



**Harris County Department of Education  
Business Office/Purchasing Division  
Instructions to Recommendation Committee**

[This form is used to document due diligence by Purchasing Division]

---

**To: Recommendation Committee**

**From: Purchasing Division - Buyer:** \_\_\_\_\_

Job (Bid or RFP) # and Name: \_\_\_\_\_

Board Meeting Date: \_\_\_\_\_

Today's Date: \_\_\_\_\_

Attached are the following materials for your review and possible recommendation to the Superintendent and the Board of Trustees:

- Buyer Certification
- Bid Tabulation
- Copy of the Job (Bid or RFP) responses
- Set of Specs will be available for your review

Your responsibility for review of this job (bid or RFP) is to make sure that HCDE receives the best value for the goods and services sought. Please review the attached job (bid or RFP) and certify that all of the procurement requirements have been met in accordance with local Board Policies and legal (federal and state) policies and administrative guidelines set by the Business Office and the Purchasing Division.

Please remember to adhere to section 44.032 of the Texas Education Code, "Enforcement of Purchase Procedures: Criminal Penalties; Removal; Ineligibility" which deal with the penalties related to component, separate, and sequential purchases. In addition, Board policy CH Local and Legal are required to be met as part of your contractual obligation with HCDE.

It should be noted that if a required document is not provided by the bidder, the Purchasing Division will not be able to make a recommendation and or issue a purchase order.

Please review the responses to the job (bid or RFP) and submit the following forms by the required deadline for the next available Board Meeting:

- **Signed Certification and Recommendation Form**


If any technicalities or changes need to be made, these must be addressed in the recommendation and presented as such to the Superintendent and the Board of Trustees.

- **Agenda Item (Prepared by Buyer handling the job/bid or RFP)**

Once, a recommendation is approved by the Board, the Purchasing Division will issue an award letter and request that any pending bonds or contracts be submitted within 5 days to the District.

- **Bid Tabulation**



	<b>PURCHASING PROCEDURES</b> HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:
DATE DEVELOPED: April 7, 2008 <span style="float: right;">REVISED DATE: 06/21/18</span>		
SUBJECT: Stamping Purchasing Documents at Receptionist's Desk at 6300 Irvington Blvd.		

**NOTE:**

This procedure is a joint responsibility of the Purchasing and Facilities Divisions.

**PURPOSE:**

All correspondence that is delivered to 6300 Irvington Blvd's receptionist desk that is going to Purchasing Division needs to be stamped with time and date. This will ensure the exact time when sensitive documents are received.

**PROCESS:**

All purchasing documents should be date and time-stamped at the front receptionist desk immediately upon arrival. A time clock has been provided for this purpose. Those packages or boxes that are so large that they cannot be physically stamped should be handled by stamping a blank yellow post-it note (3" X 3") or other suitable blank paper that will then be taped onto the package or box.

**PICK-UP:**

Purchasing will receive daily pick-ups from the receptionist desk at 10:30 a.m. and 1:10 p.m.

**MAINTENANCE AND REPAIR:**

Maintenance and repair of the time clock will remain the responsibility of the Purchasing Division. However, notification that the clock requires repair and/or maintenance will reside with the Facilities Division and the personnel at the receptionist's desk.

## INSTRUCTIONS TO BUYER

The information entered below will automatically populate the rest of the RFP Document. You must ensure that you only replace information **INSIDE** the gray brackets and do not add extra spaces.

After updating all information on the first page, press “Ctrl+A” and then “F9” key to update the rest of the document. Also, Set Cursor on first footnote and press “Ctrl+A” and then “F9” key to update the rest of the footnotes.

**Buyer:**

Kendra Jackson

**Buyer Fax #:**

(713) 696-0732

**Buyer Telephone #:**

(713) 696-0744

**Buyer Email:**

kjackson@hcde-texas.org

**RFP:**

#10/047KJ

**RFP Issue Date:**

May 17, 2018

**RFP Name:**

Integrated Pest Control Management Service

**Submittal Deadline & Proposal Opening date:**

June 30, 2018

**2<sup>nd</sup> Advertising:**

June 14, 2018

**Submittal Deadline & Proposal Opening day of the week:**

Wednesday

**Pre-Proposal Conference Date:**

June 22, 2018

**Submittal Deadline & Proposal Opening time:**

1:00 p.m.

**Pre-Proposal Conference Day of the Week:**

Tuesday

**1<sup>st</sup> Advertising:**

June 11, 2018

**Pre-Proposal Conference Time:**

2:00 p.m.

**Award Date:**

July 20, 2018



**PURCHASING DIVISION**

**REQUEST FOR PROPOSAL #10/047KJ**  
**Integrated Pest Control Management Service**

**Issued May 17, 2018 by:**

**Kendra Jackson**

Purchasing Division

6300 Irvington Blvd.

Houston, TX 77022-5618

Phone: (713) 696-0744 | Fax: (713) 696-0732

URL: [www.hcde-texas.org](http://www.hcde-texas.org)

Email: [kjackson@hcde-texas.org](mailto:kjackson@hcde-texas.org)

**Submittal Deadline & Proposal Opening: Wednesday, June 30, 2018 at 1:00 p.m. CST**

---

If you will not be submitting a response please NO BID the proposal on the HCDE eBid System.

<https://customer.ionwave.net/hcdeebid>

## TABLE OF CONTENTS

Items below represent components which comprise this bid/proposal package. Respondents are asked to review the package to be sure that all applicable parts are included. If any portion of the package is missing, please notify Kendra Jackson immediately.

Part	Page
1.0 Notice of Intention.....	3
2.0 Proposal Requirements .....	4
3.0 Instructions to Proposers.....	6
4.0 Scope & Specifications.....	12
5.0 Evaluation & Award of Proposals .....	13
6.0 Financial Offer & Questionnaire .....	15
7.0 General Terms & Conditions.....	14

## **PART 1.0 – NOTICE OF INTENTION**

The Purchasing Division of the Harris County Department of Education (“HCDE” or the “Department”) is conducting this procurement to establish a contract. The Initial Term of the prospective contract is a period of one year. The Department may elect, with mutual agreement of the awarded vendor, to extend any contract awarded pursuant to this procurement solicitation for up to four (4) additional one-year terms (individually, a “Renewal Term”). The maximum duration of any contract resulting from this procurement is a total of five (5) years, running from the date of execution of the contract by the authorized representative of the Department. No contract shall be executed until it has been reviewed and approved by the Board of Trustees of the Department (“Board”) in a duly called and posted meeting of the Board. This contract can be accessed on an “as needed” basis from a list of contracts that have been competitively bid and awarded with qualified, high performance vendors based on the selection criteria set forth herein. Proposers are requested to submit a proposal offering their total line of available products and services that are commonly purchased by government entities, school districts and other public, not-for-profit agencies and organizations.

Product(s) considered for award shall equal or exceed the technical, environmental and performance standards and specifications as defined within this RFP and further described in the scope and specification section.

The good(s) or service(s) to be purchased under the awarded contract, if any, may be of indefinite delivery and indefinite quantity (IDIQ).

## PART 2.0 – PROPOSAL REQUIREMENTS

*Please read carefully this entire proposal document and specifications. Complete all forms and submit your bid with all appropriate attachments.*

### 2.1 Request for Proposals (RFP) Documents

HCDE Purchasing Division documents are made available online via the HCDE eBid System to anyone who wishes to submit a proposal. However, it is the responsibility of the proposer submitting a proposal to make certain that the HCDE Purchasing Division has the appropriate company name, authorized representatives, and contact information on file for the purpose of receiving notices, changes, addenda or other critical information.

The HCDE eBid System's website is <https://customer.ionwave.net/hcdeebid>

### 2.2 Tentative Time Table

HCDE anticipates following the time table listed below for this job:

Item	Activity	Date & Time
1	Job starts to advertise (1 <sup>st</sup> run)	June 11, 2018
2	Job advertised (2 <sup>nd</sup> run)	June 14, 2018
3	Pre-Proposal Meeting	June 22, 2018 - 2:00 p.m. CST
4	Deadline for submission of proposals ( <i>See Part 4 – Instruction to Proposers – for detailed submission requirements</i> )	June 30, 2018 - 1:00 p.m. CST
5	Award Date	July 20, 2018

The table above is only an estimate and may vary.

### 2.3 Procurement Method

HCDE is utilizing the Request for Proposals (RFP) method of procurement in accordance with Texas Education Code Section 44.031(3) Purchasing Contracts, Request for Proposals for services other than construction services.

For information regarding the proposal process, contact Kendra Jackson of the Purchasing Division at (713) 696-0744

### 2.4 Requirements for Return of Proposal Responses

Respondents must submit proposals electronically using the HCDE eBid System by the established deadline (day and time). Please refer to the "Instructions to Proposers" section to ensure that you submit all required information.

The HCDE eBid System does not accept responses after the due date and time. Please note that if you begin responding to the bid request and do not click "submit" by the time the RFP is scheduled to close, your bid will not have been submitted.

### 2.5 Pre-Proposal Conference

A pre-proposal conference is scheduled for June 22, 2018 at 2:00 p.m. at 6300 Irvington Blvd., Houston, TX 77022-5618. Attendance is not mandatory but all prospective vendors are highly encouraged to attend in order to have a better understanding of the requirements of this RFP. Persons with disabilities requiring special accommodations should contact **Error! Reference source not found.** at (713) 696-0744 at least two (2) business days prior to the conference.

### 2.6 Rights Reserved by HCDE and Restrictions on RFP Process

- a) HCDE reserves the right to cancel this solicitation in whole or in part by issuance of a revised or amended Request for Proposals.

- 
- b) HCDE further reserves the right to award one or more contracts, in part or in whole, to a single or to multiple prospective vendors or proposers. The decision to award multiple contracts, award only one contract, or to make no awards rests solely with HCDE. HCDE may make multiple awards, and this fact should be taken into consideration by each proposer.
  - c) HCDE assumes no financial responsibility for any costs incurred by prospective vendors in developing and submitting a proposal or any amendments or addenda, participating in bid conferences, participating in any negotiation sessions or discussions, or any other costs incurred by proposers prior to award of a contract pursuant to this RFP.
  - d) HCDE reserves the right to reject any and/or all proposals, to award contracts for individual products or services as may appear advantageous, and to negotiate separately in any manner necessary to serve the best interests of the Department. HCDE further reserves the right to accept, reject, or negotiate modifications in any terms of a proposed vendor's proposal or any parts thereof. HCDE further reserves the right to waive any formalities or technicalities if deemed in the best interest of the Department. HCDE also reserves the right as sole judge of quality and equality.

## 2.7 Questions and Clarification

- a) Questions regarding the requirements specified in this solicitation may be sent thru the HCDE eBid System **no less than five (5) business days** before the proposals are due.
- b) HCDE will not answer verbal questions; any responses to a prospective vendor's questions will be posted on the HCDE eBid System.

## **PART 3.0 – INSTRUCTIONS TO PROPOSERS**

This portion of the RFP includes instructions on the format proposers must follow in preparing and submitting their proposals. It further identifies how questions can be raised and will be addressed.

### **3.1 Compliance with Specifications**

Proposers are required to respond to all requests identified in this RFP and indicate their acceptance or objection to the terms of the RFP and the terms of the Agreement. Any exceptions to the terms and conditions in the RFP or the Agreement must be clearly indicated in the proposer's Note to Buyer section of the proposer's eBid submitted proposal. Each proposer, by making its proposal, represents that the proposer has read and understands the RFP and the Agreement.

### **3.2 Required Proposal Format**

All proposers are required to respond to this RFP using the HCDE eBid System. The forms included in the Attachment Packet must be completed, signed, scanned, and attached under "Response Attachments" in the eBid System. Please ensure that you respond to all Bid Attributes and Line Items in this Request for Proposal.

### **3.3 General Corporate and Contact Information**

Proposers are required to attach all of the following in the "Response Attachments" section of the eBid site:

- Describe the company's official registered name and its principals.
- Provide a brief history of the company, including the year it was established.
- Provide the company's organizational chart.
- Provide the company's Dun & Bradstreet (D&B) number.
- Provide a description of the company's relevant market and the company's position within it.
- State whether the proposer or the proposer's ultimate parent company or majority owner: (A) has its principal place of business in this state; or (B) employs at least 500 persons in this state.
- Proposer agrees to provide HCDE with the following financial information if requested by HCDE at any point during the procurement process, including before or after contract award: If public, the proposer's income statement, balance sheet, and cash flow for the past three (3) years; if private, the proposer's audited financial statements for the past two years (if available). A proposer's failure to provide this financial information may impact the HCDE Administration's recommendation to the HCDE Board of Trustees for the award of the contract.

### **3.4 References**

Provide at least three references of governmental entities (school districts preferred) that have purchased services, products, and/or related items from you in the last 3-4 years. References are to be provided under the "Bid Attributes" section in the HCDE eBid System. Please use the following format for all references:

- Company Name
- Address
- Contact Name
- Phone Number
- Email

### **3.5 Addendum**

Any interpretations, corrections, additions, or changes to this RFP will be communicated to proposers by the issuance of an addendum. It is the responsibility of the proposer, prior to submitting the proposal, to determine whether an addendum was issued. All proposers shall comply with the requirements specified in any addendum issued by HCDE.

### **3.6 Disqualification**

A proposer may be disqualified before or after the proposals are opened, upon evidence of collusion with the intent to defraud, or evidence of intent to perform other illegal activities for the purpose of obtaining an



unfair competitive advantage.

### **3.7 Environmental Initiatives**

HCDE is committed to reducing waste and promoting energy conservation. Toward that end, proposers responding to this solicitation are encouraged to provide their company's environmental policy and green initiative.

### **3.8 Interpretation**

This solicitation represents the basis for any award and supersedes all prior offers, negotiations, exceptions and understandings (whether orally or in writing). Submitted proposals should be self-explanatory and should not require any clarification or additional information.

### **3.9 No Return of Proposals; Withdrawal of Proposals**

Once submitted, HCDE will not return proposals to proposers. A proposal that has been submitted via HCDE's eBid system may be withdrawn prior to the deadline for submission of proposals.

### **3.10 Non-Collusion Statement**

Proposers are required to certify a Non-Collusive Statement. Proposers are required to state the party submitting a proposal or bid, that such proposal or bid is genuine and not collusive or sham; that proposer has not colluded, conspired, connived or agreed, directly or indirectly, with an entity or person, to put in a sham proposal or bid or to refrain from bidding, and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to fix the proposal price or of any other proposer, or to fix any overhead, profit or cost element of said proposal price, or of that of any other proposer, or to secure any advantage against HCDE or any person interested in the proposed contract, and that all statements in said proposal or bid are true.

### **3.11 Open Records Policy**

HCDE is a governmental body subject to the Texas Public Information Act. Proposals submitted to HCDE as a result of this solicitation may be subject to release as public information after contracts are executed or the procurement is terminated. If a proposer believes that its response, or parts of its response, may be exempted from disclosure under Texas law, the proposer must specify page-by-page and line-by-line the parts of the response which it believes are exempt. In addition, the proposer must specify which exception(s) to the Texas Public Information Act are applicable and provide detailed reasons to substantiate the exception(s). Vague or general claims to confidentiality will not be accepted. HCDE assumes no obligation or responsibility relating to the disclosure or nondisclosure of information submitted by proposers.

### **3.12 Preferences**

HCDE may apply applicable preferences for Texas resident proposers in the event of a tie bid. Preferences must be explicitly claimed by proposer and may not be applicable in procurements and/or contracts involving federal funds. *See* Texas Government Code §§ 2252.001 - .004.

### **3.13 Responsible Vendor**

A responsible vendor is a vendor who has adequate financial resources (or the ability to obtain such resources), can comply with the delivery requirements, and is a qualified and established firm regularly engaged in the type of business that provides the items listed herein.

### **3.14 Responsive Proposal**

Proposals shall be deemed responsive if they comply with all material and administrative aspects of this solicitation.

### **3.15 Similar Products**

Whenever an article or material is defined by HCDE in this solicitation by describing a proprietary product or by using the name of a manufacturer or brand name, the term "or equal" if not inserted shall be implied (as applicable). The specified article or material shall be understood as indicating type, function, minimum standard of design, efficiency and quality desired and shall not be construed as to exclude other manufactured products or comparable quality, design and efficiency (as applicable).

### 3.16 HCDE is tax-exempt

HCDE is tax-exempt. Proposal prices should not include taxes.

### 3.17 Sole Source

In order to become a Sole Source Vendor, a proposer must meet the requirements of Texas Education Code § 44.031 (j) Sole Source, as described below.

Selected purchases may be exempt from competitive procurement if they meet the established criteria for a sole source purchase:

- Identification and confirmation that competition in providing the item or product to be purchased is precluded by the existence of a patent, copyright, secret process or monopoly
- Identification and confirmation that the product is a film, manuscript, book, utility service (including electricity, gas, or water), or a captive replacement part or component for equipment
- Sole source does not apply to mainframe data-processing equipment and peripheral attachments with a single item purchase price in excess of \$15,000.

*It is incumbent upon the Department to obtain and retain documents from the proposer which clearly delineate the reasons that qualify the purchase to be made on a sole source basis.* In order to do business with HCDE as a Sole Source Vendor, HCDE must receive a notarized Sole Source Affidavit along with proof of your company qualifying as a sole source.

Please mail this information to:

Harris County Department of Education  
Attn: Purchasing Office  
6300 Irvington Blvd.  
Houston, Texas 77022-5618

HCDE reserves the right to decide if your company is a qualified Sole Source Vendor.

### 3.18 Conflict of Interest (CIQ Form – must be filled out and attached to proposal in the Response Attachment section of the HCDE eBid System)

Harris County Department of Education (HCDE) is required to comply with Texas Local Government Code Chapter 176, Disclosure of Certain Relationships with Local Government Officers. House Bill 23 significantly changed Chapter 176 as well as the required disclosures and the corresponding forms. As of September 1, 2015, any vendor who does business with HCDE or who seeks to do business with HCDE must fill out the new Conflict of Interest Questionnaire (CIQ) whether or not a conflict of interest exists. A conflict of interest exists in the following situations:

- 1) If the vendor has an employment or other business relationship with a local government officer of HCDE or a family member of the officer, as described by section 176.003(a)(2)(A) of the Texas Local Government Code; or
- 2) If the vendor has given a local government officer of HCDE, or a family member of the officer, one or more gifts with the aggregate value of \$100, excluding any gift accepted by the officer or a family member of the officer if the gift is: (a) a political contribution as defined by Title 15 of the Election Code; or (b) a gift of food accepted as a guest; or
- 3) If the vendor has a family relationship with a local government officer of HCDE.

**“Vendor”** means a person who enters or seeks to enter into a contract with a local governmental entity. The term includes an agent of a vendor. The term includes an officer or employee of a state agency when that individual is acting in a private capacity to enter into a contract. The term does not include a state agency except for Texas Correctional Industries. *Texas Local Government Code 176.001(7).*

**“Business relationship”** means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on: (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or

local governmental entity; (B) a transaction conducted at a price and subject to terms available to the public; or (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency. *Texas Local Government Code 176.001(3)*.

**“Family relationship”** means a relationship between a person and another person within the third degree by consanguinity or the second degree by affinity, as those terms are defined by Subchapter B, Chapter 573, Government Code. *Texas Local Government Code 176.001(2-a)*.

**“Local government officer”** means: (A) a member of the governing body of a local governmental entity; (B) a director, superintendent, administrator, president, or other person designated as the executive officer of a local governmental entity; or (C) an agent of a local governmental entity who exercises discretion in the planning, recommending, selecting, or contracting of a vendor. *Texas Local Government Code 176.001(4)*.

• ***HCDE Board of Trustees and Superintendent include:***

Mr. Louis Evans, III, President	Mr. Don Sumners
Mr. Eric Dick, Vice-President	Dr. Diane Trautman
Ms. Erica Lee Carter	Mr. Michael Wolfe
Dr. George Moore	James Colbert, Jr., County Superintendent

• ***Current local government officers include, but are not limited to:***

Dr. Jesus J. Amezcua	Dr. Kimberly McLeod
Natasha Truitt	Greg Lookabaugh
Jonathan Parker	Danielle Bartz

**If no conflict of interest exists, you must fill out Box 1 and type N/A on Box 3 of the CIQ form, sign and date it.**

In the event of changed circumstances, an updated CIQ must be filed within seven (7) business days after the vendor becomes aware a conflict of interest exists.

**EDGAR Conflict of Interest Requirements**

In accordance with federal EDGAR requirements, 2 CFR § 318(c)(1), no employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which 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 considered for a contract.

The officers, employees, and agents of HCDE may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, through HCDE’s written procedures, HCDE has set a de minimis amount of less than \$50 per year for items that are unsolicited and of minimal value and promotional items.

Violations of this standard by an employee will be reported to the Superintendent’s Office and addressed through HCDE’s personnel policies. Violations of this standard by an officer or the Superintendent shall be addressed to the **Board President and addressed through HCDE Board policies.**

**3.19 Certificate of Interested Parties (Form 1295 – must be filled out electronically with the Texas Ethics Commission’s online filing application, printed out, signed, and attached to proposal in the Response Attachments section of the HCDE eBid System)**

HCDE is required to comply with House Bill 1295 (84<sup>th</sup> Leg. Session), which amended the Texas Government Code by adding Section 2252.908, Disclosure of Interested Parties. Section 2252.908 prohibits HCDE from entering into a contract resulting from this RFP with a business entity unless the business entity submits a Disclosure of Interested Parties (Form 1295) to HCDE at the time business entity submits the signed contract. Effective January 1, 2018, the Form 1295 requirement does not apply to: (1) a contract with a publicly traded business entity or wholly owned subsidiary of the same; (2) an electric utility; or (3) a gas utility. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Texas Ethics Commission. The following **definitions** apply:

- (1) **“Business Entity”** means an entity recognized by law through which business is conducted, including a sole proprietorship, partnership, or corporation. TEX. GOV’T CODE § 2252.908(1).
- (2) **“Interested Party”** means a person:
  - a) who has a controlling interest in a business entity with whom HCDE contracts; or
  - b) who actively participates in facilitating the contract or negotiating the terms of the contract, including a broker, intermediary, adviser, or attorney for the business entity. TEX. GOV’T CODE § 2252.908(3).
- (3) **“Controlling interest”** means:
  - a) an ownership interest or participating interest in a business entity by virtue of units, percentage, shares, stock, or otherwise that exceeds 10 percent;
  - b) membership on the board of directors or other governing body of a business entity of which the board or other governing body is composed of not more than 10 members; or
  - c) service as an officer of a business entity that has four or fewer officers, or service as one of the four officers most highly compensated by a business entity that has more than four officers. TEX. ETHICS COMM. RULE 46.3(c).
- (4) **“Intermediary”** means a person who actively participates in the facilitation of the contract or negotiating the contract, including a broker, adviser, attorney, or representative of or agent for the business entity who:
  - a) receives compensation from the business entity for the person’s participation;
  - b) communicates directly with the governmental entity or state agency on behalf of the business entity regarding the contract; and
  - c) is not an employee of the business entity. TEX. ETHICS COMM. RULE 46.3(e).

**As a “business entity,” all vendors must:**

- (1) **complete Form 1295 electronically** with the Texas Ethics Commission using the online filing application, which can be found at [https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm)
  - **All vendors must complete Form 1295, even if no interested parties exist**
  - In Section 2, insert “Harris County Department of Education”
  - In Section 3, insert the HCDE RFP # for this proposal
- (2) **print a copy of the completed form** (make sure that it has a computer-generated certification number in the “Office Use Only” box)
- (3) have an authorized agent of the business entity **sign the form**
  - (1) **submit** the completed and signed form by **attaching the form to your proposal in the Response Attachments section of the HCDE eBid System**

If no conflict of interest exists, you must type N/A on Box 1 of the CIQ form, sign and date it.

Statements must be filed within seven (7) business days after the officer becomes aware a conflict of interest exists.

- HCDE Board of Trustees include:

Mr. Louis Evans, III, President	Mr. Don Sumners
Ms. Erik Dick, Vice-President	Dr. Diane Trautman
Ms. Erica S. Lee Carter	Mr. Michael Wolfe
Dr. George Moore	James Colbert, Jr., County Superintendent
  
- Current local government officers include:

Dr. Jesus J. Amezcua	Dr. Kimberly McLeod
Natasha Truitt	Greg Lookabaugh
Jonathan Parker	Danielle Bartz

---

## PART 4.0 – SCOPE & SPECIFICATIONS

### 4.1 Request for Proposals Defined

The intention of this Request for Proposals (RFP) is to solicit proposals for [REDACTED] for Harris County Department of Education locations.

HCDE is utilizing the Request for Proposals (RFP) method for the procurement of this service in accordance with Texas Education Code Section 44.031 Purchasing of Contracts, Item (3) Request for Proposals.

For information regarding the proposal process, contact Kendra Jackson of the Purchasing Division at (713) 696-0744.

Interested proposers should respond to this RFP and submit proposals online at the HCDE eBid System site. This site can be accessed by logging into <https://customer.ionwave.net/hcdeebid>

### 4.2 Scope of Services

HCDE is looking to obtain proposals from [REDACTED] to provide [REDACTED] for HCDE.

**INSERT DETAILED SCOPE OF SERVICES HERE**

### 4.3 Specifications

**INSERT DETAILED SPECIFICATIONS HERE**

### 4.4 Contractor Responsibilities

**INSERT DETAILED CONTRACTOR RESPONSIBILITIES HERE**

## PART 5.0 – EVALUATION AND AWARD OF PROPOSALS

In accordance with applicable laws, rules, and regulations for public purchasing, award(s) will be made to the responsible proposer(s) whose proposal(s) is/are determined, after evaluation by the HCDE Procurement Division, to be the best value to HCDE. To qualify for evaluation, a proposal must have been submitted on time and must materially satisfy all mandatory requirements identified in this document.

### 5.1 Evaluation Criteria

A committee selected by HCDE will review and evaluate all proposals and make a recommendation to the HCDE Board of Trustees. HCDE will base a recommendation for contract award on the following factors, in accordance with Texas Education Code § 44.031:

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 HCDE's needs	Points
5. Vendor's past relationship with HCDE	Points
6. Impact on the ability of HCDE to comply with laws and rules relating to HUBs	Points
7. Total long-term cost to HCDE 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:	
(A) has its principal place of business in this state; or	
(B) employs at least 500 persons in this state	Points
9. Other (specify)	Points
	<hr/> 100 Points

### 5.2 Awards

Awards will be made to the successful proposer(s) for the total line of products and services submitted. Awards will be based on the criteria set forth within this document. HCDE reserves the right to award contracts to multiple vendors if these vendors offer items that are unique and have value to HCDE. HCDE shall comply with the Texas Public Information Act in the event HCDE receives an open records request for information relating to proposals submitted in response to this RFP.

### 5.3 Competitive Range

It may be necessary for HCDE to establish a competitive range of acceptable proposals as part of the evaluation process. Proposals not in the competitive range are unacceptable and do not receive further award consideration.

### 5.4 Estimated Quantities

HCDE makes no guarantee or commitment of any kind concerning quantities that will actually be purchased. HCDE makes no guarantee or commitment of any kind regarding usage of any contracts resulting from this solicitation.

---

### **5.5 Inspection & Acceptance**

Awarded vendor(s) shall deliver the goods or services procured on this contract to the HCDE division issuing a Purchase Order. If delivery is not or cannot be made within proper time period, the awarded vendor must receive authorization from the issuing HCDE division for the delayed delivery. If defective or incorrect goods are delivered, HCDE may make the determination, in its sole discretion, to return the goods to the vendor at no cost to HCDE. The vendor agrees to pay all shipping and handling costs for any such return shipment. The vendor also shall be responsible for arranging the return of the defective or incorrect goods.

### **5.6 Minority & Women's Business Enterprise (MWBE), Historically Underutilized Business (HUB), and Small Business Enterprise (SBE) participation**

HCDE encourages the use of HUB, MWBE, and SBE both as prime and subcontractors. However, these entities must meet the same minimum standards and requirements as the prime contractor. It will be the responsibility of the prime contractor to pre-qualify any subcontractors offered as HUB, MWBE and SBE participants. Proposers shall indicate on their submitted proposals whether or not they are a HUB, MWBE, or SBE vendor and with whom they are certified, e.g., State, City, Federal.

### **5.7 Formation of Contract (Execution of Offer)**

A response to this solicitation is an offer to contract with HCDE based upon the terms, conditions, scope of work, and specifications contained in this procurement solicitation. A solicitation/proposal does not become a contract unless and until it is accepted by HCDE after approval by the HCDE Board of Trustees. A contract is formed when either HCDE's Superintendent or Assistant Superintendent for Business Services signs the Execution of Offer form. The proposer must submit a signed Execution of Offer Form in the Response Attachment section of the HCDE eBid system, thus eliminating the need for the formal signing of a separate contract.

### **5.8 Non-Exclusive Contract**

Any contract resulting from this solicitation is non-exclusive and shall be awarded with the understanding and agreement that it is for the sole convenience of HCDE. HCDE is free to have multiple contracts for the awarded goods and services and may initiate other procurement solicitations or purchasing activity with other vendors at any time, in HCDE's sole discretion.

### **5.9 Pricing**

HCDE requires that the pricing submitted in proposals be offered as a quantity one price. HCDE may request the awarded vendor(s) to provide discounts or other adjustments to the quantity one price for larger orders, on a per-purchase order basis. If discounts or quantity prices are offered by an awarded vendor, the vendor must also offer the same reductions in pricing to be available for orders of similar size.



## **PART 6.0 – FINANCIAL OFFER & QUESTIONNAIRE**

Proposers must respond to all questions and identify all costs, fees, or charges for which HCDE may be billed under the “Bid Attributes” and “Bid Line Items” sections in the HCDE eBid System. Costs not indicated in proposals will not be paid. Proposers are to provide written documentation for any exceptions.

**Note: This page is for reference only. All pricing must be submitted in the HCDE eBid system “Line Items” section.**

### **6.1 Implementation pricing for HCDE**

## PART 7.0 – GENERAL TERMS AND CONDITIONS

The words “bids,” “requests for proposals,” “quotes,” “RFPs,” “solicitation,” “procurement,” and their derivatives may be used interchangeably in these terms and conditions. These terms and conditions apply to all bids, requests for proposals, quotes, competitive sealed proposals, and other procurement solicitations to which they are attached. The term “Vendor” means each awarded vendor chosen by HCDE.

These General Terms and Conditions are part of the final contract in each commodity and/or service contract and are part of the terms and conditions of each purchase order or other bid/proposal forms issued in connection with this solicitation.

Proposers are responsible for identifying any exceptions to these terms and conditions. **ANY EXCEPTIONS MUST BE NOTED IN THE “SUPPLIER NOTES TO BUYER SECTION” OF THE EBID SYSTEM.** Proposals that are qualified with conditional clauses, items not called for, or other irregularities may be considered non-responsive by HCDE and eliminated from further consideration by HCDE.

This Agreement is entered into between Harris County Department of Education (“HCDE”) and Vendor, having submitted a proposal in response to a procurement solicitation issued by HCDE and whose proposal has been accepted and awarded by HCDE. In consideration of the mutual covenants and conditions contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, HCDE and Vendor, intending to be legally bound, and subject to the terms, conditions, and provisions of this Agreement, agree as follows:

### 7.1 Agreement Terms; Amendment

The terms of this Agreement shall govern all procurements conducted hereunder. No pre-published terms on the Vendor’s order acknowledgments, invoices, or other forms shall have any force or effect. Further, no amendment of this Agreement shall be permitted unless first approved in writing by HCDE, and no such amendments shall have any effect unless and until a written amendment to this Agreement is executed by HCDE’s Superintendent or its Assistant Superintendent for Business Services (or their designees) after any necessary approvals have been obtained from the HCDE Board of Trustees.

### 7.2 Assignment of Agreement

Vendor may not assign this Agreement or any of its rights, duties, or obligations hereunder without the prior written approval of HCDE. Any attempted assignment of this Agreement by Vendor shall be null and void. Any purchase or work order made as a result of this Agreement may not be transferred, assigned, subcontracted, mortgaged, pledged, or otherwise disposed of or encumbered in any way by Vendor without the prior written approval of HCDE. Vendor is required to notify HCDE when any material change in operations occurs, including but not limited to, changes in distribution rights for awarded products, bankruptcy, material changes in financial condition, change of ownership, and the like, within three (3) business days of such change.

### 7.3 Buy America Act

HCDE has a preference for domestic end products for supplies acquired for use in the United States when spending federal funds. Purchases that are made with non-federal funds or grants are excluded from the Buy America Act.

### 7.4 Captions

The captions herein are for convenience and identification purposes only, are not an integral part hereof, and are not to be considered in the interpretation of any part hereof.

### 7.5 Catalog Discounts

In the event of a catalog discount type proposal, Vendor may be allowed to make additions and/or deletions from Vendor’s offerings on an annual basis during the Agreement renewal period, in HCDE’s sole discretion, provided the item(s) substituted are of a like quality and category. These changes will be compliant with the format of Vendor’s original proposal (i.e. manufacturer name, product category, or entire catalog discount). HCDE will send notification to Vendor(s) seeking any additions and/or deletions, and Vendor will return these proposed changes on company letterhead within the given timeframe. If HCDE, in

its sole discretion, accepts Vendor's proposed changes, such changes will remain in effect for the entire year until the next renewal period.

#### **7.6 Compliance with Laws**

Vendor shall comply with all federal, state, and local laws, statutes, ordinances, rules, and regulations, including, if applicable, workers' compensation laws, minimum and maximum salary and wage statutes and regulations, prompt payment and licensing laws and regulations. For the entire duration of this Agreement, Vendor shall maintain all required licenses, certifications, permits, and any other documentation necessary to perform this Agreement. When required or requested by HCDE, Vendor shall furnish HCDE with satisfactory proof of Vendor's compliance with this provision.

#### **7.7 Confidentiality**

Vendor and HCDE agree to secure the confidentiality of all information and records in accordance with applicable federal and state laws, rules, and regulations. Vendor and HCDE understand that the Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g, governs the privacy and security of educational records and information and agree to abide by FERPA rules and regulations, as applicable. Vendor also acknowledges that HCDE is subject to the Texas Public Information Act, and Vendor waives any claim against and releases from liability HCDE, its officers, employees, agents, and attorneys with respect to disclosure of information provided under or in this Agreement or otherwise created, assembled, maintained, or held by Vendor and determined by HCDE, the Attorney General of Texas, or a court of law to be subject to disclosure under the Texas Public Information Act.

#### **7.8 Contract Term**

The initial term of the Agreement is for a period of one (1) year, with HCDE having the option to renew the Agreement for four (4) additional years in one (1) year increments. Consequently, the total term of the Agreement may be for a period of five (5) years. The phrase "Term" in this Agreement shall mean the then-current Term of the Agreement, whether the initial term or a renewal term.

#### **7.9 Criminal History Review (SB 9 Contractor Certification: Contractor Employees Form; SB 9 Contractor Certification: Subcontractor Form – must be filled out and attached to proposal in the Response Attachment section, if applicable)**

Prior to commencing any work under the Agreement, if Vendor contracts with HCDE to provide services, Vendor must certify, on the form provided herein, that for each covered employee of Vendor who will have direct contact with students, Vendor has obtained, as required by Texas Education Code Section 22.0834: (a) state criminal history record information from a law enforcement or criminal justice agency or a private entity that is a consumer reporting agency governed by the Fair Credit Reporting Act (15 U.S.C. Section 1681 et seq.) for each covered employee of Vendor employed before January 1, 2008; and (b) national criminal history record information for each employee of Vendor employed on or after January 1, 2008. Vendor must also obtain similar certifications of compliance with Texas Education Code Chapter 22's requirements from any subcontractors on the form provided herein. Covered employees with disqualifying criminal history are prohibited from serving at HCDE; Vendor and any subcontracting entity may not permit a covered employee to provide services at a school if the employee has been convicted of a felony or misdemeanor offense that would prevent a person from being employed under Tex. Educ. Code § 22.085(a) (i.e., Title 5 felony or an offense requiring registration as a sex offender and victim was under 18 years of age or was enrolled in a public school at the time the offense occurred). The criminal history record information review obligation applies if Vendor contracts with HCDE to provide services; it does not apply to a contract for the purchase of goods or real estate.

#### **7.10 Customer Reference List**

Vendor agrees to submit a customer reference list upon request by HCDE.

#### **7.11 Customer support**

Vendor shall provide timely and accurate technical advice and sales support to HCDE and HCDE staff. Vendor shall respond to requests for customer support within one (1) business day after receipt of the request. Vendor shall provide training to HCDE staff regarding products and/or services supplied by Vendor,

at no additional charge, if requested by HCDE.

#### **7.12 Entire Agreement**

This Agreement, the procurement solicitation issued by HCDE, and Vendor's proposal submitted in response to HCDE's procurement solicitation, and the attached and incorporated addendum or exhibits, if any, contain the entire agreement of the parties relative to the purpose(s) of the Agreement and supersede any other representations, agreements, arrangements, negotiations, or understanding, oral or written, between the parties to this Agreement. In the event of a conflict between this Agreement and the procurement solicitation issued by HCDE or Vendor's proposal submitted in response to HCDE's procurement solicitation, this Agreement shall control. In the event of a conflict between the procurement solicitation issued by HCDE and Vendor's proposal submitted in response to HCDE's procurement solicitation, HCDE's procurement solicitation shall control. This Agreement supersedes any conflicting terms and conditions on any purchase or work orders, invoices, checks, order acknowledgements, forms, purchase orders, or similar commercial documents relating hereto and which may be issued by Vendor after the Effective Date of this Agreement.

#### **7.13 Equal Opportunity**

It is the policy of HCDE not to discriminate on the basis of race, color, National origin, gender, limited English proficiency or handicapping conditions in its programs. Vendor agrees not to discriminate against any employee or applicant for employment to be employed in the performance of this Agreement, with respect to hire, tenure, terms, conditions and privileges of employment, or a matter directly or indirectly related to employment, because of age (except where based on a bona fide occupational qualification), sex (except where based on a bona fide occupational qualification) or race, color, religion, national origin, or ancestry. Vendor further agrees that every subcontract entered into for the performance of this Agreement shall contain a provision requiring non-discrimination in employment herein specified, binding upon each subcontractor. Breach of this covenant may be regarded as a material breach of the Agreement.

#### **7.14 Force Majeure**

Neither HCDE or Vendor shall be deemed to have breached any provision of this Agreement as a result of any delay, failure in performance, or interruption of service resulting directly or indirectly from acts of God, network failures, acts of civil or military authorities, civil disturbances, wars, energy crises, fires, transportation contingencies, interruptions in third-party telecommunications or Internet equipment or service, other catastrophes, or any other occurrences which are reasonably beyond such party's control.

The parties to this Agreement are required to use due caution and preventive measures to protect against the effects of force majeure, and the burden of proving that a force majeure event has occurred shall rest on the party seeking relief under this provision. The party seeking relief due to force majeure is required to promptly notify the other party in writing, citing the details of the force majeure event and relief sought, and shall resume performance immediately after the obstacles to performance caused by a force majeure event have been removed, provided the Agreement has not been terminated. Delay or failure of performance, by either party to this Agreement, caused solely by a force majeure event, shall be excused for the period of delay caused solely by the force majeure event. Neither party shall have any claim for damages against the other resulting from delays caused solely by force majeure. Notwithstanding any other provision of this Agreement, in the event the Vendor's performance of its obligations under this Agreement is delayed or stopped by a force majeure event, HCDE shall have the option to terminate this Agreement. This section shall not be interpreted as to limit or otherwise modify any of HCDE's contractual, legal, or equitable rights.

#### **7.15 Governing Law and Venue**

The laws of the State of Texas, without regard to its provisions on conflicts of laws, govern this Agreement. Any dispute under this Agreement may be brought in the state and federal courts located in Houston, Harris County, Texas, and the parties hereby submit to the exclusive jurisdiction of said courts.

#### **7.16 HCDE Property**

In the event of loss, damage, or destruction of any property owned by or loaned by HCDE that is caused by Vendor or Vendor's representative, agent, employee, or contractor, Vendor shall indemnify HCDE and pay to HCDE the full value of or the full cost of repair or replacement of such property, whichever is greater,

within thirty (30) days of Vendor's receipt of written notice of HCDE's determination of the amount due. If Vendor fails to make timely payment, HCDE may obtain such money from Vendor by any means permitted by law, including, without limitation, offset or counterclaim against any money otherwise due to Vendor by HCDE.

#### 7.17 Indemnification

**VENDOR SHALL INDEMNIFY AND HOLD HCDE HARMLESS FROM ALL CLAIMS, LIABILITIES, COSTS, SUITS OF LAW OR IN EQUITY, EXPENSES, ATTORNEYS' FEES, FINES, PENALTIES OR DAMAGES ARISING FROM THE ACTS OR OMISSIONS OF VENDOR, VENDOR'S EMPLOYEES, AGENTS, OR SUBCONTRACTORS, IN CONNECTION WITH THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, THOSE ARISING FROM CLAIMED INFRINGEMENT OF ANY PATENTS, TRADEMARKS, COPYRIGHT OR OTHER CORRESPONDING RIGHT(S) WHICH IS RELATED TO ANY ITEM VENDOR IS REQUIRED TO DELIVER.** Vendor's obligations under this clause shall survive acceptance and payment by HCDE.

#### 7.18 Insurance

Vendor is required to provide HCDE with copies of certificates of insurance, naming HCDE as an additional insured, for Texas Workman's Compensation and General Liability Insurance. Certificates of Insurance, name and address of Vendor, the limits of liability, the effective dates of each policy, and policy number shall be delivered to HCDE prior to commencement of any work under this Agreement. The insurance company insuring Vendor shall be licensed in the State of Texas and shall be acceptable to HCDE. Vendor shall give HCDE a minimum of ten (10) days' notice prior to any modifications or cancellation of said policies of insurance. Vendor shall require all subcontractors performing any work under or relating to this Agreement to maintain coverage as specified below.

Minimum Insurance Requirements:

- Vendor shall, at all times during the Term of this Agreement, maintain insurance coverage with not less than the type and requirements shown below. Such insurance is to be provided at the sole cost of Vendor. These requirements do not establish limits of Vendor's liability.
- All policies of insurance shall waive all rights of subrogation against HCDE, its officers, employees, and agents.
- Upon request, certified copies of original insurance policies shall be furnished to HCDE.
- HCDE shall be named as an "additional insured" on all insurance policies.
- HCDE reserves the right to require additional insurance should HCDE deem additional insurance necessary, in HCDE's sole discretion.
  - A. Workers' Compensation (with Waiver of subrogation to HCDE) Employer's Liability, including all states, U.S. Longshoremen, Harbor Workers and other endorsements.
  - B. Statutory, and Bodily Injury by Accident: \$100,000 each employee. Bodily Injury by Disease: \$500,000, policy limit \$100,000 each employee. Commercial General Liability Occurrence Form including, but not limited to, Premises and Operations, Products Liability Broad Form Property Damage, Contractual Liability, Personal and Advertising Injury Liability and where the exposure exists, coverage for watercraft, blasting collapse, and explosions, blowout, catering and underground damage.
    - \$300,000 each occurrence Limit Bodily Injury and Property Damage combined
    - \$300,000 Products-Completed Operations Aggregate Limit \$500,000 per Job Aggregate
    - \$300,000 Personal and Advertising Injury Limit
  - C. Automobile Liability Coverage
    - \$300,000 Combined Liability Limits Bodily Injury and Property Damage Combined.

#### 7.19 Interpretation

Vendor agrees that the normal rules of construction that require that any ambiguities in this Agreement are to

be construed against the drafter shall not be employed in the interpretation of this Agreement.

#### **7.20 Invoices; Payments**

Invoices shall be directed to HCDE's Accounts Payable Department. All invoices shall be itemized to include the type of good(s) and/or service(s) rendered. Vendor shall submit invoices within a timely manner during HCDE's fiscal year in which the good(s) and/or services are purchased. In accordance with Texas Government Code § 2251.021, payments are due to Vendor within forty-five (45) days after the later of the following: (1) the date HCDE receives the goods under the Agreement; (2) the date the performance of the service under the Agreement is completed; or (3) the date HCDE receives an invoice for the goods or service. Vendor agrees to pay any subcontractors, if any, the appropriate share of the payment received from HCDE not later than the tenth (10th) day after the date Vendor receives the payment from HCDE. The exceptions to payments made by HCDE and/or Vendor listed in Texas Government Code § 2251.002 shall apply to this Agreement.

#### **7.21 IRS W-9**

In order to receive payment under this Agreement, Vendor shall have a current I.R.S. W-9 Form on file with HCDE.

#### **7.22 Multiple Contract Awards; Non-Exclusivity**

HCDE reserves the right to award multiple contracts for each commodity category. Commodity categories are established at the sole discretion of HCDE. Nothing in this Agreement may be construed to imply that Vendor has the exclusive right to provide products and/or services to HCDE. During the Term of this Agreement, HCDE reserves the right to use all available resources to procure other products and/or services as needed and doing so will not violate any rights of Vendor.

#### **7.23 New Products**

New products that meet the specifications detailed in the solicitation may be added to this Agreement, with prior written approval from HCDE. Pricing of any new products shall be equivalent to the percentage discount or proposed prices for other similar products. Vendor may replace or add products to an existing contract if: the replacing products are equal to or superior to the original products offered; are discounted in a similar or to a greater degree; and the products meet the requirements of the original solicitation. No products may be added to avoid competitive procurement procedures. HCDE may reject any proposed additions, without cause, in its sole discretion.

#### **7.24 No Substitution**

Any order issued pursuant to this Agreement shall conform to the specifications and descriptions identified in this Agreement and in the solicitation. Unless otherwise agreed to in advance by HCDE, Vendor will not deliver substitutes without prior authorization from HCDE.

#### **7.25 No Agency or Endorsements**

HCDE and Vendor are independent contractors and have no power or authority to assume or create any obligation or responsibility on behalf of the other party. This Agreement shall not be construed or deemed an endorsement of a specific company or product. It is the intention of the parties that Vendor is independent of HCDE and is not an employee, agent, joint venturer, or partner of HCDE, and nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee, agent, joint venturer or partner, between HCDE and Vendor or HCDE and any of Vendor's agents. Vendor agrees that HCDE has no responsibility for any conduct of any of Vendor's employees, agents, representatives, contractors, or subcontractors.

#### **7.26 Non-Appropriation Clause**

Renewal of this Agreement, if any, will be in accordance with Texas Local Government Code § 271.903 concerning non-appropriation of funds for multi-year contracts. Notwithstanding any other provision of this Agreement or obligation imposed on HCDE by this Agreement, HCDE shall have the right to terminate this Agreement without default or liability to Vendor resulting from such termination, effective as of the expiration of each budget period of HCDE if it is determined by HCDE, in HCDE's sole discretion, that there are insufficient funds to extend this Agreement. The parties agree that this Agreement is a commitment

of HCDE's current revenue only.

#### **7.27 Notice**

Any notice provided under the terms of this Agreement by either party to the other shall be in writing and shall be given by hand-delivery or by certified or registered mail, return receipt requested. Notice shall be sufficient if made or addressed to the address listed in the signature line of this Agreement. Notice shall be deemed effective upon receipt. Each party may change the address at which notice may be sent to that party by giving notice of such change to the other party by certified or registered mail, return receipt requested.

#### **7.28 Penalties**

If Vendor is unable to provide the goods or services at the prices quoted in Vendor's proposal or if Vendor fails to fulfill or abide by the terms and conditions of the Agreement, HCDE may take the following action(s), in HCDE's sole discretion, and Vendor agrees to comply with HCDE's action(s):

- (a) insist that Vendor honor the quoted price(s) specified in Vendor's proposal;
- (b) have Vendor pay the difference between Vendor's price and the price of the next acceptable proposal (as determined by HCDE);
- (c) have Vendor pay the difference between Vendor's price and the actual purchase price of the good or service on the open market; and/or
- (d) recommend to HCDE's Board of Trustees that Vendor no longer be given the opportunity to submit a proposal to HCDE and/or that this Agreement be terminated.

#### **7.29 Performance**

Vendor agrees to use best efforts to provide the good(s) and/or service(s) subject to this Agreement.

#### **7.30 Performance and Payment Bonds**

Vendor agrees to provide performance bonds and/or payment bonds as required by Texas law on specified contracts and/or projects, as applicable. HCDE will include the performance and payment bonds requirement in the specifications section of any solicitation if performance bonds and/or payment bonds are required.

#### **7.31 Prevailing Wage Rates**

Vendor and all subcontractors of Vendor shall comply with all laws regarding wage rates including, but not limited to, Texas Government Code Chapter 2258 and any related federal requirements applicable to this Agreement and to this solicitation by HCDE.

#### **7.32 Prices**

All prices in Vendor's proposal shall be firm for the Term of the Agreement. All price changes shall be presented to HCDE for acceptance or rejection by HCDE, in its sole discretion, using the same format as was accepted in Vendor's original proposal; all price changes for goods and/or services provided under this Agreement must be approved, in writing, by HCDE prior to taking effect. The following documentation shall be provided to support a request for a price change: justification for change/increase; terms and conditions; market conditions; manufacturers/distributors' impact (if any).

#### **7.33 Quantities**

Because all commodities will be provided on an "as needed" basis, HCDE makes no representation either orally or in writing to the amount of commodities, services, or related items HCDE will use during the Term of the Agreement.

#### **7.34 Records Retention**

Vendor shall maintain its records and accounts in a manner that shall assure a full accounting for all goods and/or services provided by Vendor to HCDE under this Agreement. These records and accounts shall be retained by Vendor and made available for audit by HCDE for a period of not less than two (2) years from the date of completion of the services, receipt of the goods, or the date of the receipt by HCDE of Vendor's final invoice or claim for payment in connection with this Agreement, whichever is later. If an audit has been announced, Vendor shall retain its records and accounts until such audit has been completed.

**7.35 Right to Audit**

HCDE, upon written notice, shall have the right to audit all of Vendor's records and accounts relating to this Agreement. Records subject to audit shall include, but are not limited to, records which may have a bearing on matters of interest to HCDE in connection with Vendor's work for HCDE and shall be open to inspection and subject to audit and/or reproduction by HCDE or its authorized representative(s) to the extent necessary to adequately permit evaluation and verification of:

- (a) Vendor's compliance with this Agreement and the requirements of the solicitation,
- (b) compliance with HCDE procurement policies and procedures,
- (c) compliance with provisions for computing billings to HCDE, and/or
- (d) any other matters related to this Agreement.

**7.36 Safety**

Vendor, its subcontractors, and their respective employees shall comply fully with all applicable federal, state, and local safety and health laws, ordinances, rules, and regulations in the performance of services under this Agreement, including, without limitation, those promulgated by HCDE and by the Occupational Safety and Health Administration ("OSHA"). In case of conflict, the most stringent safety requirements shall govern. Vendor shall comply with all other safety guidelines and standards as required by HCDE. Vendor shall indemnify and hold HCDE harmless from and against all claims, demands, suits, actions, judgments, fines, penalties, and liability of every kind arising from the breach of Vendor's obligations under this provision.

**7.37 Severability**

In the event that any one or more of the provisions contained in this Agreement 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 Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

**7.38 Shipments**

Vendor shall ship ordered products within seven (7) working days for available goods and within four (4) to six (6) weeks for special-order items after the receipt of the purchase order unless otherwise previously agreed to, in writing, by HCDE. If a product cannot be shipped within that timeframe, Vendor shall notify HCDE of the reasons why the product has not shipped and shall provide an estimated shipping date, if applicable. HCDE may cancel the order if the estimated shipping time is not acceptable to HCDE, in its sole discretion.

**7.39 Subcontractors**

If Vendor uses subcontractors in the performance of any part of this Agreement, Vendor shall be fully responsible to HCDE for all acts and omissions of the subcontractors just as Vendor is responsible for Vendor's own acts and omissions. Nothing in this Agreement shall create for the benefit of any such subcontractor any contractual relationship between HCDE and any such subcontractor, nor shall it create any obligation on the part of HCDE to pay or to see to the payment of any moneys due any such subcontractor except as may otherwise be required by law.

**7.40 Taxes**

HCDE is tax-exempt, and HCDE shall not pay taxes for goods and/or services provided under this Agreement. Vendor represents and warrants that it shall pay all taxes or similar amounts resulting from this Agreement, including, without limitation, any federal, state, or local income, sales or excise taxes of Vendor or its employees. HCDE shall not be liable for any taxes resulting from this Agreement.

**7.41 Tax Responsibilities of Vendor and Indemnification for Taxes**

Vendor and all subcontractor(s) of Vendor shall pay all federal, state, and local taxes applicable to their operation and any persons employed by Vendor and all subcontractors of Vendor. Vendor shall require all subcontractors to hold HCDE harmless from any responsibility for taxes, damages, and interest. If applicable, contributions required under federal, state, and/or local laws and regulations and any other costs including, but not limited to, transaction privilege taxes, unemployment compensation insurance, Social



Security, and Worker's Compensation, shall be the sole responsibility of Vendor.

#### **7.42 Termination of Contract**

This Agreement shall remain in effect until (1) the Agreement expires by its terms or (2) the Agreement is terminated by mutual agreement of HCDE and Vendor. In the event of a breach or default of the Agreement and/or the procurement solicitation by Vendor, HCDE reserves the right to enforce the performance of the Agreement and/or the procurement solicitation in any manner prescribed by law or deemed to be in the best interest of HCDE. HCDE further reserves the right to terminate the Agreement immediately in the event Vendor fails to: (1) meet schedules, deadlines, and/or delivery dates within the time specified in this Agreement, the procurement solicitation, and/or a purchase or work order; (2) make any payments owed; or (3) otherwise perform in accordance with this Agreement and/or the procurement solicitation. HCDE also reserves the right to terminate the Agreement immediately, with written notice to Vendor, if HCDE believes, in its sole discretion, that it is in the best interest of HCDE to do so. Vendor agrees that HCDE shall not be liable for damages in the event that HCDE declares Vendor to be in default or breach of this Agreement and/or the procurement solicitation. Vendor further agrees that upon termination of the Agreement for any reason, Vendor shall, in good faith and with reasonable cooperation, aid in the transition to any new arrangement and/or vendor.

#### **7.43 Title and Risk of Loss**

Whenever HCDE is purchasing (and not leasing) an item under this Agreement, title and risk of loss shall pass upon the later of HCDE's acceptance of the item or payment of the applicable invoice.

All deliveries under this Agreement shall be delivered: **Freight Prepaid, F.O.B. Destination, Full Freight Allowed, Inside Delivery** and shall be included in all pricing in Vendor's proposal unless otherwise clearly stated in writing in Vendor's proposal.

#### **7.44 Waiver**

No failure on the part of either party at any time to require the performance by the other party of any term hereof shall be taken or held to be a waiver of such term or in any way affect such party's right to enforce such term, and no waiver on the part of either party of any term hereof shall be taken or held to be a waiver of any other term hereof or the breach thereof. No waiver, alteration, or modification of any of the provisions of this Contract shall be binding unless in writing and signed by duly authorized representatives of the parties hereto.

#### **7.45 Warranty**

All goods and/or services provided by Vendor under this Agreement must be warranted to be free from defects in material, workmanship, and free from such defects in design for a period of one (1) year upon the later of HCDE's acceptance of the product and/or service or payment of the applicable invoice. Vendor warrants that all goods and/or services furnished under this Agreement shall conform in all respects to the terms of this Agreement, including any drawings, specifications, and/or standards incorporated herein, including, without limitation, those detailed in the procurement solicitation issued by HCDE. In addition, Vendor warrants that goods and/or services are suitable for and will perform in accordance with the purposes for which they are intended. Vendor shall assume all liabilities incurred within the scope of consequential damages and incidental expenses, as set forth in the vendor or manufacturer's warranty, which result from either delivery or use of product, which does not meet the specifications within this Agreement or the solicitation procurement.


#### **7.46 Website Support**

Vendor agrees to cooperate with HCDE in publicizing contract particulars on HCDE's website. Vendor agrees to work with HCDE in updating and maintaining current information on Vendor's activities related to the Agreement on the website. Vendor agrees to provide an electronic version of its logo for use on HCDE's website upon request and provide other information as reasonably requested by HCDE to help ensure that HCDE's website is current and consistently updated.

#### **7.47 Workforce**


Vendor shall employ only orderly and competent workers, skilled in the performance of the services, if any,

which shall be performed under this Agreement. Vendor, its employees, subcontractors, and subcontractor's employees may not use or possess any firearms, alcoholic or other intoxicating beverages, illegal drugs or controlled substances while on the job or on HCDE's property, nor may such workers be intoxicated or under the influence of alcohol or drugs on HCDE's property.

	<b>PURCHASING PROCEDURES</b> HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:
DATE DEVELOPED: _____ REVISED DATE: 03/21/2011		
SUBJECT: RFP Template		

**NOTE:**

Requests for Proposals are prepared electronically via the HCDE eBid System. Purchasing and using divisions work together in developing the scope and specifications for goods and services valued over \$50,000.

	<p align="center"><b>PROCUREMENT PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p>
<p>DATE DEVELOPED: 2/20/2008 <span style="float: right;">REVISED DATE:</span></p>		
<p>SUBJECT:   Instructions to School District Contractors Regarding Criminal History               Background Searches Under Senate Bill 9</p>		

Senate Bill 9 directs school district contractors to obtain state and national criminal history background searches on their employees who will have direct contact with students, and to receive those results through the DPS criminal history clearinghouse (Fingerprint-based Applicant Clearinghouse of Texas –FACT). In order for contractors to receive the information through FACT, they must first establish an account with the DPS for FACT clearinghouse access. The Company owner must sign a user agreement with the DPS. To obtain the user agreement and more information, please contact via email or telephone (for faster service):

Access and Dissemination Bureau  
Texas Department of Public Safety  
Crime Records Service  
P. O. Box 149322  
Austin, Texas 78714-9322

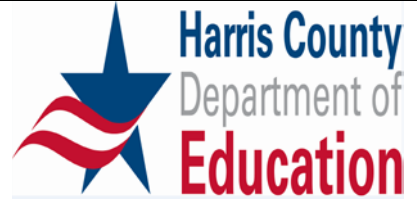
Email: [FACT@txdps.state.tx.us](mailto:FACT@txdps.state.tx.us)  
Phone: (512) 424-2365

State in the message that you are a school district contractor and need to have an account established for DPS FACT clearinghouse access. Please include:

Company Name  
Company Address  
Company Phone  
Name of Company point of contact  
Phone of Company point of contact  
Company email to be used for notification of FACT records and messages

The information in the DPS FACT Clearinghouse is confidential, and access must be restricted to the least number of persons needed to review the records. The account must include at least one designated supervisor to make necessary changes and to monitor the site's security and the access to the criminal history data retrieved. Additional users must be limited to those who need to request, retrieve, or evaluate data regarding the individual applicants.

**PLEASE NOTE:** After you sign the DPS User Agreement for FACT, DPS will provide you with a revised ***FAST Fingerprint Pass*** that you will have to provide to your employees and applicants. Your employees and applicants will use that ***FAST Fingerprint Pass*** when scheduling their FAST fingerprinting.

	<p align="center"><b>PROCUREMENT PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference: <u>CI</u> Legal and <u>CI</u> Local</p>
<p><b>DATE DEVELOPED: 6/15/2015</b></p>	<p><b>REVISED DATE: 6/15/2015</b></p>	
<p><b>SUBJECT: SURPLUS PROPERTY PURCHASES</b></p>		

Whenever cost effective and feasible, federal and state salvage and surplus property should be purchased in lieu of new property.


The Texas Facilities Commission (TFC) manages the disposition of both salvage and surplus personal property from state agencies, as well as, property that has been donated to the state by federal programs. State agencies, political subdivisions, and [assistance organizations](#) are eligible to purchase through the state surplus property program. Federal property is available to those entities that TFC certifies as eligible to receive and use salvage and surplus. For more information and property listings go to the [Texas Facilities Commission website](#).

<http://www.tfc.state.tx.us/divisions/supportserv/prog/statesurplus/>

When using the state surplus property program, send a written request to the state agency that listed the property via the respective state agency contact listed on the TFC website. If [HCDE](#) listed the property, eligible [Contractors](#) may apply in writing to the Agency's Property Manager no earlier than the first business day of the month. The request may be submitted by email, fax or mail, and will be considered on a "first come-first serve" and "as is-where is" basis. The Agency will coordinate required actions with the Contractor.

Contractors are solely responsible for maintaining, transporting, and disposing of all property acquired through the state surplus property program. When no longer needed by the Contractor, the property shall be disposed of according to the disposition instructions in HCDE's [CI](#) Local and Legal policies. The Contractor shall remove all State property tags when it takes possession of the property.

Authority:

- [29 CFR §97.36\(b\)\(6\)](#)
- [45 CFR §92.36\(b\)\(6\)](#)
- [7 CFR §3015.180](#)
- [Texas Government Code, §2175.001 and §2175.061](#)
- [UGMS, Part III, § .36\(b\)\(6\)](#) 

## Definitions:

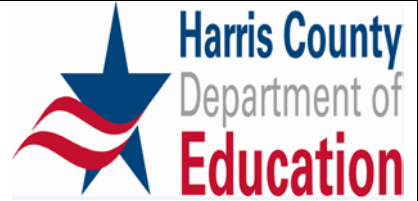
### **Assistance Organization**

As defined by the Texas Government Code §2175.001(1) refers to:

- A nonprofit organization that provides educational, health, human services, or assistance to homeless individuals
- A nonprofit food bank that solicits, warehouses, and redistributes edible but unmarketable food to an agency that feeds needy families and individuals
- Texas Partners of the Americas, a registered agency with the Advisory Committee on Voluntary Foreign Aid, with the approval of the Partners of the Alliance office of the Agency for International Development
- A group, including a faith-based group, that enters into a financial or nonfinancial agreement with a health or human services agency to provide services to that agency's clients
- A local workforce development board created under Section 2308.253
- A nonprofit organization approved by the Supreme Court of Texas that provides free legal services for low-income households in civil matters
- The Texas Boll Weevil Eradication Foundation, Inc., or an entity designated by the commissioner of agriculture as the foundation's successor entity under Section 74.1011, Texas Agriculture Code
- A nonprofit computer bank that solicits, stores, refurbishes, and redistributes used computer equipment to public school students and their families

### **Contractor**

The recipient of an award or agreement from the granting agency for the purpose of providing services under a federal grant. Unless specifically stated, the requirements that are applicable to a Contractor will also apply to that Contractor's subcontractors.

	<p align="center"><b>PROCUREMENT PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference: <u>CH</u> <u>(LEGAL)</u> <u>and</u> <u>CH</u> <u>LOCAL)</u></p>
<p><b>DATE DEVELOPED: 6/15/2015</b></p>	<p><b>REVISED DATE: 6/15/2015</b></p>	
<p><b>SUBJECT: COOPERATIVE PURCHASES</b></p>		

### ***Cooperative Purchases***

Participation in purchasing agreements and cooperatives is encouraged to foster greater economy and efficiency in the procurement of common goods and services. A number of cooperative purchasing opportunities are available to [Contractors](#), as discussed below.

Purchasing Cooperatives- Purchases made through a purchasing cooperative or purchasing network satisfy the procurement for grant requirements if:

- The Contractor is eligible to participate under the rules of the particular cooperative or network
- The procurement procedures used by the cooperative or network satisfy the procurement requirements of this manual, e.g. full and open competition, requirements for small purchase, competitive proposal, and sealed bid requirements, conflicts of interest, federal debarment, etc.

HCDE certifies that it all cooperatives used adhere to these requirements.

Where a Contractor determines that it has met these requirements, it shall retain documentation: (1) that supports its eligibility to participate in the cooperative or network (inter local agreement required); and (2) of its assessment of the purchasing procedures used by the cooperative or network. In making its assessment, it is recommended that the Contractor contact the cooperative or network directly to discuss and gain an understanding of the procurement procedures used, rather than rely solely on a description provide on the Internet or other literature.

**Texas Comptroller of Public Accounts (CPA) Texas Procurement and Support Services Cooperative Purchasing Program (State of Texas CO-OP).** Goods and services purchased through the State of Texas CO-OP have been procured through sealed bids or competitive proposals, and are made available to CO-OP members through state term contracts, without requirements to conduct additional procurement activities. Membership is available to eligible entities that apply for membership and pay an annual subscription fee. Documentation must include identification of the state term contract number under which a good or service is purchased, the requisition, and the purchase order.

The following entities are eligible to apply for membership in the State of Texas CO-OP:

- Local governments (like HCDE), as defined by Texas Government Code §791.003 and Texas Local Government Code §271.081 (including cities, counties, school districts, etc).
- Mental health and mental retardation community centers that receive state grants-in-aid under Subchapter B, Chapter 534, Texas Health and Safety Code
- [Assistance organizations](#), as defined by Texas Government Code §2175.001 (including Boards)
- Child care providers that meet the Texas Rising Star Provider criteria in Texas Workforce Commission rules

More information about the State of Texas CO-OP and purchasing instructions can be found on the [Texas Comptroller of Public Accounts website](#).  
<http://comptroller.texas.gov/procurement/prog/coop/>

**Choice Partners Cooperative.** Goods and services purchased through the Choice Partners CO-OP have been procured through sealed bids or competitive proposals, and are made available to CO-OP members through inter local agreements, without requirements to conduct additional procurement activities. Membership is available to eligible entities that apply for membership at no cost to the organization. Documentation must include identification of the inter-local contract and the awarded contract number under which a good or service is purchased, the requisition, and the purchase order.

The following entities are eligible to apply for membership in the Choice Partners CO-OP:

- Local governments (like HCDE), as defined by Texas Government Code §791.003 and Texas Local Government Code §271.081 (including cities, counties, school districts, etc).
- Mental health and mental retardation community centers that receive state grants-in-aid under Subchapter B, Chapter 534, Texas Health and Safety Code
- [Assistance organizations](#), as defined by Texas Government Code §2175.001 (including Boards)
- Child care providers that meet the Texas Rising Star Provider criteria in Texas Workforce Commission rules

More information about the Choice Partners CO-OP and purchasing instructions can be found on the [Choice Partners website](#). <http://www.choicepartners.org/>

**Texas Department of Information Resources (DIR) Information and Communications Technology (ICT) CO-OP Contracts Program.** Goods and services purchased through the ICT CO-OP Contracts program have been procured through sealed bids or competitive proposals and are made available through state term contracts without requirements to conduct additional procurement activities. Participation is limited to eligible entities. There is no membership fee to participate in the program. Documentation must include identification of the state term contract number under which a good or service is purchased, the requisition, and purchase order.

The following entities are eligible to participate in the DIR ICT CO-OP Contracts Program:



- State agencies, as defined by Texas Government Code §2251.001
- Public institutions of higher education, as defined by Texas Education Code §61.003
- Public school districts
- Local governments (like HCDE) and political subdivisions, as defined by Texas Government Code §791.003 (interpreted by the Agency to include Boards)

More information can be found on the [Texas Department of Information Resources website](#).

**Texas Multiple Award Schedule (TXMAS) Program.** CPA and DIR have established, as an alternative purchasing method, the use of TXMAS contracts for selected goods and services. These contracts are an extension of contracts already competitively awarded by the federal government or any other governmental entity of any state, and as such may be used for purposes of this Chapter without additional procurement activities. (Note: The prices on TXMAS contracts are the most favored customer prices, but under some circumstances, individual entities may negotiate lower prices). To access the TXMAS contracts and TXMAS Purchasing Program, go to the [Texas Comptroller of Public Accounts website](#).

<http://dir.texas.gov/View-About-DIR/Pages/Content.aspx?id=41>

The following entities are eligible to participate in CPA's TXMAS Program:

- State agencies (does not include Boards)
- State of Texas CO-OP members
- Local governments, as defined by Texas Local Government Code §271.101(2) (does not include Boards)
- Child care providers that meet the Texas Rising Star Provider criteria in Texas Workforce Commission rules

The following entities are eligible to participate in the DIR TXMAS Program:

- State agencies, as defined by Texas Government Code §2054.003(3)
- Units of local government, as defined by Texas Government Code §2054.003(9)
- Institutions of higher education, as defined by Texas Education Code §61.003
- Assistance organizations, as defined by Texas Government Code §2175.001
- Public entities outside Texas, as defined by Texas Government Code §2054.0565

**Council on Competitive Government (CCG) Contracts.** CCG contracts meet competitive bidding requirements and are made available through managed state term contracts without requirements to conduct additional procurement activities. Use of the contracts is limited to eligible entities. Counties, municipalities, special districts, school districts, junior college districts, and other legally constituted political subdivisions of the state are eligible to use CCG contracts. For more information, go to the [Council on Competitive Government website](#).  
<http://www.ccg.state.tx.us/>

**TASB Buy Board Cooperative.** Goods and services purchased through the Buy board CO-OP have been procured through sealed bids or competitive proposals, and are made available to CO-OP members through inter local agreements, without requirements to conduct additional procurement activities. Membership is available to eligible entities that apply for membership at no cost to the organization. Documentation must include identification of the inter local contract and the awarded contract number under which a good or service is purchased, the requisition, and the purchase order.

---

The following entities are eligible to apply for membership in the Buy Board CO-OP:

- Local governments (like HCDE), as defined by Texas Government Code §791.003 and Texas Local Government Code §271.081 (including cities, counties, school districts, etc).
- Mental health and mental retardation community centers that receive state grants-in-aid under Subchapter B, Chapter 534, Texas Health and Safety Code
- [Assistance organizations](#), as defined by Texas Government Code §2175.001 (including Boards)
- Child care providers that meet the Texas Rising Star Provider criteria in Texas Workforce Commission rules

More information about the Buy Board CO-OP and purchasing instructions can be found on the [Buyboard website](https://www.buyboard.com/). <https://www.buyboard.com/>

**TCPN (Region 4) Cooperative.** Goods and services purchased through the TCPN CO-OP have been procured through sealed bids or competitive proposals, and are made available to CO-OP members through inter local agreements, without requirements to conduct additional procurement activities. Membership is available to eligible entities that apply for membership at no cost to the organization. Documentation must include identification of the inter local contract and the awarded contract number under which a good or service is purchased, the requisition, and the purchase order.

The following entities are eligible to apply for membership in the TCPN CO-OP:

---

- Local governments (like HCDE), as defined by Texas Government Code §791.003 and Texas Local Government Code §271.081 (including cities, counties, school districts, etc).
- Mental health and mental retardation community centers that receive state grants-in-aid under Subchapter B, Chapter 534, Texas Health and Safety Code
- [Assistance organizations](#), as defined by Texas Government Code §2175.001 (including Boards)
- Child care providers that meet the Texas Rising Star Provider criteria in Texas Workforce Commission rules

More information about the TCPN CO-OP and purchasing instructions can be found on the [TCPN website](http://www.tcpn.org/Pages/default.aspx). <http://www.tcpn.org/Pages/default.aspx>

### **Definitions:**

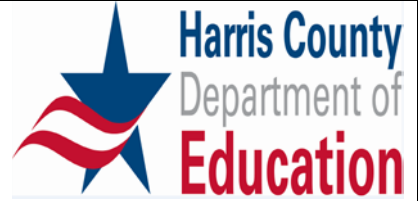
#### **Assistance Organization**

As defined by the Texas Government Code §2175.001(1) refers to:

- A nonprofit organization that provides educational, health, human services, or assistance to homeless individuals
- A nonprofit food bank that solicits, warehouses, and redistributes edible but unmarketable food to an agency that feeds needy families and individuals
- Texas Partners of the Americas, a registered agency with the Advisory Committee on Voluntary Foreign Aid, with the approval of the Partners of the Alliance office of the Agency for International Development
- A group, including a faith-based group, that enters into a financial or nonfinancial agreement with a health or human services agency to provide services to that agency's clients
- A local workforce development board created under Section 2308.253
- A nonprofit organization approved by the Supreme Court of Texas that provides free legal services for low-income households in civil matters
- The Texas Boll Weevil Eradication Foundation, Inc., or an entity designated by the commissioner of agriculture as the foundation's successor entity under Section 74.1011, Texas Agriculture Code
- A nonprofit computer bank that solicits, stores, refurbishes, and redistributes used computer equipment to public school students and their families

#### **Boards:**

Refers to a Local Workforce Development Board created under Texas Government Code, Chapter 2308.

	<p align="center"><b>PROCUREMENT PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference: <a href="#"><u>CH (LEGAL)</u></a></p>
<p><b>DATE DEVELOPED: 6/15/2015</b></p>	<p><b>REVISED DATE: 6/15/2015</b></p>	
<p><b>SUBJECT: Performance Bonds</b></p>		

Bonding for construction or facility improvements must adequately protect the federal and/or state government's interest.


Except as otherwise required by statute, [Contractors](#) must require any contractor or [subcontractor](#) for construction or facility improvements to demonstrate that it is adequately bonded. The policy varies by the amount of the contract as follows:

Contracts < or = \$100,000. A Contractor may follow its own policy relating to bonding requirements for construction or facility improvement contracts; i.e. [bid guarantees](#), [performance bonds](#), and [payment bonds](#).

Contracts > \$100,000. A Contractor may follow its own policy relating to bonding requirements for construction or facility improvement contracts if the federal or state awarding agency determines that such a policy is sufficient to adequately protect the federal and/or state government's interest. If no such determination is made, the bidder must at a minimum, provide a bid guarantee equivalent to five percent of the bid price, a performance bond for 100 percent of the contract price, or a payment bond for 100 percent of the contract price.

Bonds are required under the HCDE's Board Policy - CV Legal.


Authority:

- [OMB Circular A-110 § .48\(c\)](#)
- [29 CFR §97.36\(h\)](#)
- [45 CFR §92.36\(h\)7 CFR §3015.180](#)
- [UGMS Part III § .36\(h\)](#) 

Definitions:

## **Contractor**

The recipient of an award or agreement from the granting agency for the purpose of providing services under a federal grant. Unless specifically stated, the requirements that are applicable to a Contractor will also apply to that Contractor's subcontractors.

	<p align="center"><b>PROCUREMENT PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference: <u>CH</u> <u>(LEGAL</u> <u>and</u> <u>CH LOCAL)</u></p>
<p><b>DATE DEVELOPED: 6/15/2015</b></p>	<p><b>REVISED DATE: 6/15/2015</b></p>	
<p><b>SUBJECT: Pre-Award Review for Sub recipients</b></p>		

### ***Pre-Award Review***

A pre-award review should be conducted to determine the adequacy of an offeror's Financial Management system prior to award of a subcontract for a federal, state or local grant by HCDE.

In accordance with federal and state regulations, prior to awarding a contract and any time subsequent to award, HCDE may evaluate an offeror's Financial Management system and may make an assessment of the offeror's level of risk of noncompliance or nonperformance under the contract. A bidder or proposer may be considered "high risk" if it:

- Has a history of poor performance
- Is not financially stable
- Has a management system that does not meet the standards under title 2 subtitle A section 200 of the uniform grant guidance.
- Has not conformed to the terms and conditions of a previous award
- Is not otherwise responsible

If the bidder or proposer is considered "high risk" but will still be awarded the contract, HCDE shall impose additional restrictions on the bidder or proposer until the risk conditions have been corrected. When additional requirements will be imposed, HCDE will notify the bidder or proposer in writing as to:

- The nature of the additional requirements
- The reason why the additional requirements are being imposed
- The nature of the corrective action needed
- The time allowed for completing the corrective actions
- The method for requesting reconsideration of the additional requirements imposed

Special conditions or restrictions may include:

- Payment on a reimbursement, where otherwise not required
- Requiring additional, more detailed financial reports
- Additional project monitoring
- Requiring technical or management assistance
- Establishing additional prior approvals
- Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given funding period

Any special conditions or restrictions must be promptly removed once the risk conditions have been corrected.

### **Entity Specific Considerations:**

Local Workforce Development Boards. The rules at 40 TAC §802.21 requires Boards to perform fiscal integrity evaluations of bidders and providers and sets forth requirements for the performance of such reviews as follows.


- HCDE shall develop fiscal integrity evaluation indicators designed to appraise the fiscal integrity of its bidders and providers.
- The fiscal integrity evaluation shall include the following provisions for ensuring that bidders and providers are meeting performance measures in compliance with requirements contained in:
  - Federal and state statutes and regulations and directives of the granting agency
  - Office of Management and Budget (OMB) circulars applicable to the entity, such as OMB Circulars A-21, A-87, or A-122, and the Uniform Grant Management Standards; and
  - Any other safeguards HCDE has identified that are designed to ensure the proper and effective use of funds placed under the control of the bidders or providers.
- The fiscal integrity evaluation shall also include the review and consideration of the prospective or renewing bidders and provider's prior three-year financial history before HCDE awards or renews a contract. The review shall include any adverse judgments or findings, such as administrative audit findings; Commission, Agency, or HCDE monitor findings; or sanctions by a Board or court of law.
- The fiscal integrity evaluation may include provisions such as accounting for program income in accordance with federal regulations, resolving questioned costs and the repayment of disallowed costs in a timely manner, and safeguarding fixed assets, as well as those referenced in grant manual.


The fiscal integrity evaluation required by 40 TAC §802.21 can be accomplished by relying on the work of other reviews, audits, or examinations, to the extent that such work meets the rule's stated objectives and requirements. Where the previous work only partially meets the rule's objectives and requirements, additional work is required prior to making the award, but may build upon work performed for the other reviews, audits, or examinations.

To meet the intent of the purpose for the fiscal integrity evaluation, the work of a review, audit, or examination that will be relied on to satisfy performance of the fiscal integrity evaluation will need to have been performed within the last few months of the contract that is being considered for renewal, or for a new contract, within a few months prior to the contract's start date (i.e., 40 TAC §802.21 requires that the evaluation be performed prior to award and at each renewal.)

Authority:

- [OMB Circular A-110 § .14](#)
- [29 CFR §97.12](#) and [§97.20\(c\)](#)
- [45 CFR §92.12](#) and [§92.20\(c\)](#)

- [7 CFR §3015.180](#)
- [UGMS Part III §§ .12-.13 and .20\(c\)](#) 
- [40 TAC §802.21](#)

	<p align="center"><b>PROCUREMENT PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference: <a href="#">CI</a> Legal and <a href="#">CI</a> Local</p>
<p><b>DATE DEVELOPED: 6/15/2015</b></p>	<p align="right"><b>REVISED DATE: 6/15/2015</b></p>	
<p><b>SUBJECT: Standard of Conduct and Conflicts of Interest in the awarding of contracts</b></p>		

### ***Standards of Conduct & Conflicts of Interest***

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by federal, state or local funds if a real or apparent conflict of interest would be involved.

HCDE maintains written standards of conduct, which govern the performance of individuals engaged in the award and administration of contracts and provide for disciplinary action in the event that such standards are violated. HCDE has adopted CH Local to include standard of conduct in the selection of contracts. HCDE has specifically addressed definitions for [immediate family](#) and [substantial interest](#).

No employee, officer, or agent of HCDE may participate in the selection, award, or administration of a contract that is supported by federal, state, or local funds if a [conflict of interest](#) or [apparent conflict of interest](#) would be involved.

In general, a conflict of interest exists when any of the following have a financial or other interest in a firm that is selected to receive an award:

- An employee, officer or agent
- Any member of the employee's immediate family
- The employee's partner
- Any organization that employs or is about to employ any of these groups

The standards of conduct shall prohibit the solicitation and/or acceptance of gratuities, favors or anything of monetary value by an officer, employee, or agent of HCDE from a bidder or [subcontractor](#). However, rules may be set where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value.

Conflict of Interest. In addition to written standards of conduct, HCDE has adopted a conflict of interest policy that includes the minimum requirements of state and federal laws and regulations. Furthermore, a Board member must:

- Not vote on the provision of services by the member or any organization which the member represents



- Not vote on any matter that would provide a direct financial benefit to the member or the member's immediate family, or on matters of the provision of services by the member or the entity the member represents
- Not participate in a decision in which the member has a direct or indirect interest, particularly a financial interest, which is in substantial conflict with the discharge of the duties of the Board
- Avoid even the appearance of a conflict of interest. Prior to taking office, Board members must provide the Board chair a written declaration of all substantial business interests or relationships they, or their immediate families have with all businesses or organizations which have received, currently receive, or are likely to receive contracts or funding from the Board. Such declarations shall be updated within 30 days to reflect any changes in such business interests or relationships. The Board shall appoint an individual to timely review the disclosure information and advise the Board chair and appropriate members of potential conflicts; and
- Prior to discussion, vote, or decision on any matter before a Board, if a member, or a person in the immediate family of such member, has a substantial interest in or relationship to a business entity, organization, or property that would be pecuniary (financially) affected by any official Board action, that member shall disclose the nature and extent of the interest or relationship and shall abstain from voting on or in any way participating in the decision on the matter. All such abstentions shall be recorded in the minutes of the Board.

Prohibition Against Directly Delivering Services. A Board shall not directly deliver or determine eligibility for goods and services or contract with the following persons or entities to deliver or determine eligibility for goods and services:

- A Board member
- A business, organization, or institution that a Board member represents on the Board
- A Board member's business, organization, or institution in which a Board member has a substantial financial interest
- A Board employee

**This prohibition does not apply to public education agencies (i.e., community colleges and independent school districts) that have Board members who fulfill the requirements in Texas Government Code §2308.256(a)(3)(A).** Also, a Board may grant a one-year exception to these prohibitions as set out in 40 TAC §802.43.

Standards of Conduct. HCDE shall ensure that bidders and proposers comply with federal and state statutes and regulations regarding standards of conduct and conflict of interest provisions including, but not limited to:

- Uniform administrative requirements
- Professional licensing requirements, where applicable
- Requirements set forth in applicable Office of Management and Budget Circulars and the Uniform Grant Management Standards

Bidders and proposers shall also avoid any conflict of interest or any appearance of a conflict of interest. It shall refrain from using nonpublic information gained through a relationship with the

HCDE, an HCDE employee, a Board, or a Board employee, to seek or obtain financial gains that would be a conflict of interest or the appearance of a conflict of interest.

Disclosures. As required by Chapter 176 of the Local Government Code, a Board shall require a bidders and proposers to disclose the following in writing:

- A substantial financial interest that the contractor, or any of its contract employees in decision-making positions, have in a business entity that is a party to any business transaction with a Board member or Board employee who is in a Board decision-making position
- A gift greater than \$50 in value given to a Board member or Board employee by a provider or its employees
- The existence of any conflict of interest and any appearance of a conflict of interest, or the lack thereof



The written disclosure must contain:

- Information describing the conflict of interest and/or the appearance of a conflict of interest
- Actions that the workforce service provider and its employees will take in order to prevent any conflict of interest from occurring.

The disclosure must be provided:

- At least annually, and as frequently as necessary, for any conflict of interest and any appearance of a conflict of interest
- Within 10 days of giving a gift greater than \$50 in value
- At least annually for the disclosure that no conflict of interest and no appearance of conflict of interest exist

Authority:

- [Workforce Investment Act §117\(g\)](#)
- [20 CFR §667.200\(a\)\(4\)](#) 
- [OMB Circular A-110 § .42](#)
- [29 CFR §97.36\(b\)\(3\)](#)
- [45 CFR §92.36\(b\)\(3\)](#)
- [7 CFR §3015.181](#)
- [Texas Government Code, §2308.257](#)
- [UGMS, Part III, § .36\(b\)\(3\)](#) 
- [40 TAC Chapter 802](#)

Definitions:

## **Apparent Conflict of Interest**

A circumstance in which the action of an individual in a decision-making position appears to be:

- Influenced by considerations of one or more of the following: gain to the person, entity, or organization for which the person has an employment interest, substantial financial interest, or other interest, whether direct or indirect (other than those consistent with the terms of the contract)
- Motivated by design to gain improper influence over the Commission, the Granting Agency, or HCDE.

## **Conflict of Interest**

A circumstance in which an employee is in a decision-making position and has a direct or indirect interest, particularly a substantial financial interest that influences the individual's ability to perform job duties and fulfill responsibilities.


## **Immediate Family**

Any person related within the first degree of affinity (marriage) or consanguinity (blood) to the person involved.

## **Substantial Interest**

An interest in a business entity in which a person:

- Owns 10% or more of the stock, shares, fair market value, or other interest in the business entity
- Owns more than \$5,000 of the fair market value of the business entity
- Owns real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more used for the business entity
- Receives funds from the business entity that exceed 10% of the person's gross income for the previous year
- Is a compensated member of the board of directors or other governing board of the business entity
- Serves as an elected officer of the business entity
- Is related to a person in the first degree by consanguinity or affinity, as determined by Chapter 573, Texas Government Code, who has a substantial financial interest in the business entity, as listed in subparagraph (A) through (F) of this definition. First degree of consanguinity or affinity means the person's parent, child, adopted child, or spouse.

	<p align="center"><b>PROCUREMENT PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference: <u>CH</u> <u>(LEGAL</u> <u>and</u> <u>CH LOCAL)</u></p>
<p>DATE DEVELOPED: 6/15/2015</p>	<p>REVISED DATE: 6/15/2015</p>	
<p>SUBJECT: Protest Procedures</p>		

## ***Protest Procedures***


HCDE has protest procedures in place to handle and resolve disputes relating to procurements.

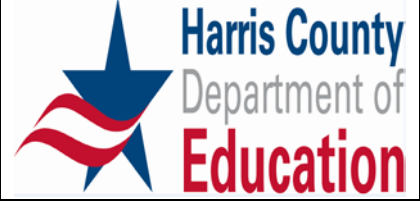
In all instances, information regarding the protest must be disclosed to the Purchasing Office. A protester must exhaust all administrative remedies with HCDE or [subcontractor](#) before pursuing a protest with the [granting](#) agency. Reviews of protest by HCDE will be limited to:

- 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 §97.36\(b\)\(12\)](#)
- [45 CFR §92.36\(b\)\(12\)](#)
- [7 CFR §3015.180](#)
- [UGMS Part III § .36\(b\)\(12\)](#) 

	<p align="center"><b>PROCUREMENT PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference: <u>CH</u> (LEGAL and <u>CH LOCAL</u>)</p>
<p><b>DATE DEVELOPED: 6/15/2015</b></p>	<p><b>REVISED DATE: 6/15/2015</b></p>	
<p><b>SUBJECT: Small &amp; Minority Firms</b></p>		


### ***Small & Minority Firms***

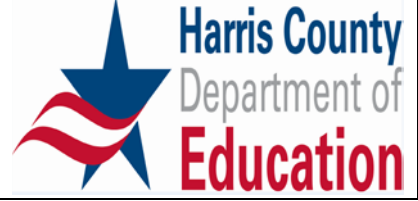
HCDE has undertaken steps to make sure that participation is requested from small and minority business firms and other historically underutilized businesses when possible.

HCDE has included a weight factor in the evaluation tool for vendors that are historically underutilized businesses (HUBs), especially small and minority firms, women's business enterprise. Affirmative steps (as feasible) include:

- Placing qualified HUBs on solicitation lists, e.g. bidders list
- Assuring that HUBs are solicited whenever they are potential sources
- Dividing total requirements when economically feasible, into smaller tasks or quantities to permit maximum participation by HUBs
- Establishing delivery schedules, where the requirement permits, that encourages participation by HUBs
- Using the services and assistance of the Small Business Administration (SBA), the U.S. Department of Commerce Minority Business Development Agency, and the Texas Comptroller of Public Accounts
- Requiring the prime contractor, if subcontractors are to be let, to take the steps above

Authority:

- [OMB Circular A-110 § .44\(b\)](#)
- [29 CFR §97.36\(e\)](#)
- [45 CFR §92.36\(e\)](#)
- [7 CFR §3015.13](#) and [§3015.180](#)
- [UGMS, Part III, § .36\(e\)](#) 

	<p align="center"><b>PROCUREMENT PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference: <u>CH</u> <u>(LEGAL</u> <u>and</u> <u>CH LOCAL)</u></p>
<p><b>DATE DEVELOPED: 6/15/2015</b></p>	<p><b>REVISED DATE: 6/15/2015</b></p>	
<p><b>SUBJECT: Selection Procedures</b></p>		

## ***Selection Procedures***

Written selection procedures exist for procurement transactions. An entity on the federal debarment list shall not be selected for an award.

Written selection procedures must identify all requirements and evaluation factors to be used in evaluating bids or proposals. A clear and accurate description of the technical requirements of the goods or services being procured must be included in the solicitation. Such description:

- Shall not, in competitive procurements, contain features that unduly restrict competition, or otherwise provide one competitor with an unfair advantage over others
- May include a statement of the qualitative nature of the good or service being procured
- When necessary, must set forth the minimum essential characteristics and standards that must be met to satisfy the intended use
- Should avoid detailed product specifications, if at all possible

A “brand name or equal” description may be used to define performance or other salient procurement requirements only when it is impractical or uneconomical to provide a clear and accurate description of the technical requirements. The specific features that must be met must be clearly stated. See also Entity Specific Consideration below.

Debarment. HCDE shall not make awards to any party that is:

- Debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549, “Debarment and Suspension
- Barred from participating in State contracts pursuant to Texas Government Code §2155.077, as implemented by 34 TAC §§20.105-20.107
- Found on the Excluded Persons List System (EPLS) in compliance with Executive Order 13224 (Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), as implemented by 29 CFR, Chapter XII, Part 1471


HCDE uses the following to conduct a search for such persons or entities prior to awarding or renewing a contract:


- At the state level, the Texas Comptroller of Public Accounts website

- At the federal level, the System for Award Management (SAM)

Authority:

Selection:

- [OMB Circular A-110 § .44](#)
- [29 CFR §97.36\(c\)\(3\)](#)
- [45 CFR §92.36\(c\)\(3\)](#)
- [7 CFR §3015.180](#)
- [UGMS Part III § .36\(c\)\(3\)](#) 

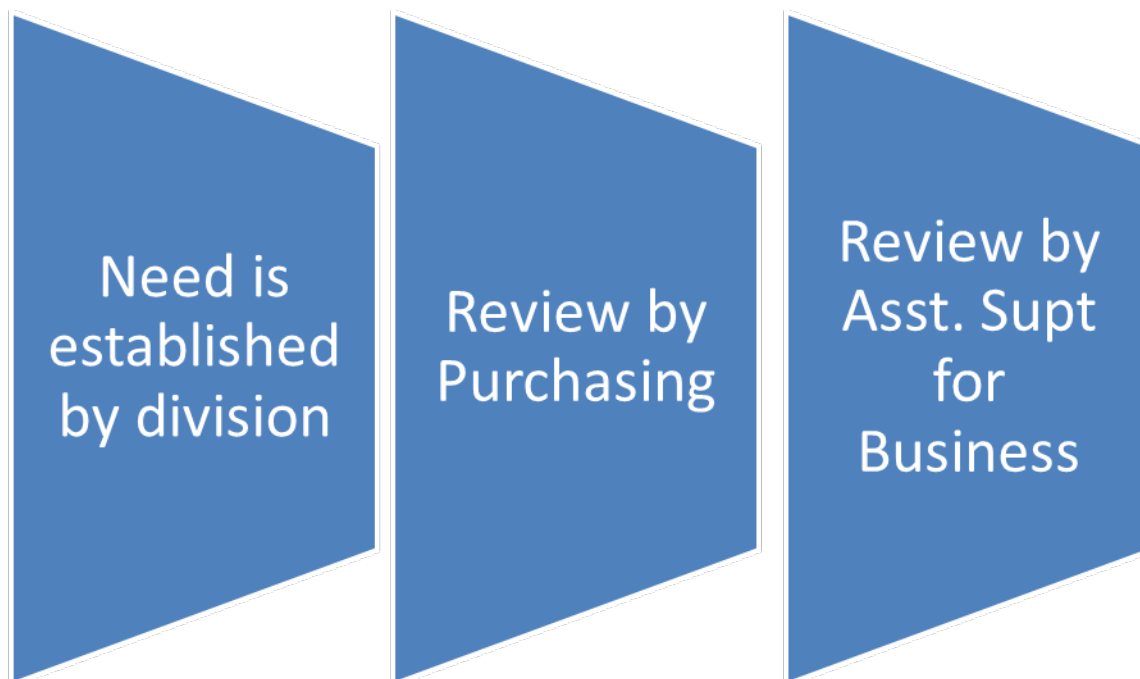
	<p align="center"><b>PROCUREMENT PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference: <u>CH</u> <u>(LEGAL</u> <u>and</u> <u>CH LOCAL)</u></p>
<p><b>DATE DEVELOPED: 6/15/2015</b></p>	<p><b>REVISED DATE: 6/15/2015</b></p>	
<p><b>SUBJECT: RFP approval</b></p>		

### ***RFP Procedures***

HCDE has Request for proposals (RFP) procedures in place to handle procurements. All request for proposals shall require review of the following:


1. Initiated by either the Purchasing Office or the Originating Budget manager
2. Review and approve by originating division (via email)
3. Review and approve by Procurement Director and Assistant Supt for Business
4. RFP templates will be handled through the HCDE attorney at least one per year for changes in laws.

**In all instances, all RFPs must be handled through the Purchasing Office.** The following is the flowchart of the RFP process:



Authority: [UGMS Part III § .36\(b\)\(12\)](#) 



	<p align="center"><b>PROCUREMENT PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference: <u>CH (LEGAL</u> <u>and</u> <u>CH LOCAL)</u></p>
<p><b>DATE DEVELOPED: 7/1/2015</b></p>	<p align="right"><b>REVISED DATE: 7/1/2015</b></p>	
<p><b>SUBJECT: Cost or Price Analysis</b></p>		

## ***Cost or Price Analysis***

A cost or price analysis must be performed in connection with every procurement action.

HCDE must make independent estimates before receiving bids or proposals. Beyond that, the method and degree of cost analysis or price analysis may vary dependent on the facts surrounding each procurement situation. Note that costs or prices based on estimated costs are allowable only to the extent that costs incurred or cost estimates are consistent with federal cost principles.

A cost analysis is required when an offeror must submit the elements of its estimated cost. It is also required when adequate price competition is lacking (i.e. sole source procurements, contract modifications or change orders) unless price reasonableness can be established using: 1) a catalog or market price of a commercial product that is sold in substantial quantities to the general public; or 2) based on prices set by law or regulation. **A price analysis** will be used in all other instances to determine the reasonableness of the proposed contract price. For micro-purchases, price reasonableness may be determined as described below:.

HCDE Divisions must obtain price or rate quotations for micro-purchases if:

- The purchasing entity has information that the price is not reasonable (i.e., based on comparison to the previous price paid, or personal knowledge of the supply or purchase)
- Purchasing a good or service for which comparative pricing is not readily available (i.e., purchasing a good or service that is not the same as, or similar to other goods or services that have recently been purchased on a competitive basis)

HCDE Divisions can make micro-purchases without soliciting price or rate quotations if the division considers the price to be reasonable based on information such **as research, experience, prior purchases, or other information**. The basis (e.g. research, experience, purchases, or other information) used by the division to determine price reasonableness of a purchase should be **noted in support documentation via the bids comparison or bid tabulation**, HCDE will review micro-purchases for price reasonableness.

**The price quote** will be the cost analysis for items under \$2,500. HCDE will utilize **the bid tabulations and price comparison** for items between \$2,500 and \$50,000. For items above


\$50,000, HCDE will document price comparisons and analysis by using the attached form (Cost Price Analysis Form).


Profit, when applicable, must be negotiated as a separate element of the price anytime a cost analysis is performed and for all contracts in which there is no price competition. Considerations for determining a fair and reasonable profit must include:

- Complexity of the work to be performed
- Risk borne by the subcontractor
- Subcontractor's investment
- Amount of subcontracting (by the subcontractor)
- Quality of its record of past performance
- Industry profit rates in the surrounding geographical area for similar work

Optional supplemental guidance on performing a cost or price analysis can be found in the Federal Acquisition Regulation (FAR) at 48 CFR §13.106-3 (Small Purchase Method) and 48 CFR §15.404-1 (Sealed Bid and Competitive Negotiation Methods). The FAR sets forth procurement regulations that apply to federal agencies.

Authority:

- [OMB Circular A-110 § .45](#)
- [29 CFR §97.36\(f\)\(1\)-\(3\)](#)
- [45 CFR §92.36\(f\)\(1\)-\(3\)](#)
- [7 CFR §3015.180](#)
- [UGMS Part III § .36\(f\)\(1\)-\(3\)](#) 
- [Uniform Guidance \(2 C.F.R. § 200\)](#)

	<p align="center"><b>PROCUREMENT PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference: <u>CH</u> <u>(LEGAL</u> <u>and</u> <u>CH LOCAL)</u></p>
<p><b>DATE DEVELOPED: 7/14/2015</b></p>	<p><b>REVISED DATE:</b></p>	
<p><b>SUBJECT: Access Procedures</b></p>		

### ***Procedures for Assignment of Access and Passwords (†)***

Access to data systems shall be based on the specific job duties and responsibilities of each staff member. Except for limited exceptions, staff will not be given unilateral access to all modules in the financial and payroll system. For example, a payroll staff member will not have access to the human resources system unless the access is limited in scope and “read-only”. These restrictions to unilateral access are designed to prevent complete autonomy which could lead to fraud.

Each staff member shall be responsible for securing their assigned (selected) password. At no time shall passwords be shared with others or posted in visible locations within the staff member’s work space. Violators of this restriction shall be subject to disciplinary action, including but not limited to employment termination.

Data system access to the authorized modules, shall be determined by the Assistant Supt for Business/CFO (alternate: Chief Accounting Officer). Each staff member shall have access to their respective database(s) and tabs within a database based on their position. Security roles will be established and assigned with the specific access to each module. In the event that a staff member gains access, due to human or software error, that he/she is not entitled to, it is the responsibility and duty of the staff member to notify the Security Administrator, or IT Coordinator, regarding the ability to access the restricted database or module(s).

### ***Revoking Access (†)***

Access to data systems are subject to change and/or revocation when changes occur to a staff member’s position, duties or responsibilities. Access to data systems are also subject to revocation when a staff member violation the Responsible Use Guidelines. Each staff member shall sign a Responsible Use Guidelines every fiscal year.

The technology resource request form must be used to provide access to users or change of access. Division managers should select the appropriate access roles for each employee.

# TECHNOLOGY RESOURCE REQUEST FORM

REV. 08.07.2017

## NEW USER/REQUESTOR INFORMATION

Name (First, MI, Last)	_____	Employee Number	_____
Division	_____	Position/Title	_____
Office Location/Room#	_____	Phone Number	_____
Employee Type [fulltime, partime, temp]	_____	Start/End Date	_____

- ☐ **REQUEST FOR NETWORK/EMAIL ACCESS** [please check the box if it applies]
- ☐ **REQUEST FOR PENTAMATION ACCESS** [please check the box if it applies]
- ☐ **REQUEST TO DISABLE ACCESS** [please check the box if it applies]

## SHARED FOLDER ACCESS

- ☐ User Needs access to the following Drive  
Folder Names

- ☐ Other Special  
Request(s)

## DIVISION CONTACT

Name (Print) \_\_\_\_\_

Phone/Extension \_\_\_\_\_

## DIVISION APPROVAL

Manager Name (Print) \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

**Please FAX to Help Desk @713-696-8269 or Scan and Email the completed request form to [helpdesk@hcde-texas.org](mailto:helpdesk@hcde-texas.org)**

## Technology use only

Process By	_____	Help Desk	_____
Date Processed	_____	Ticket(s) #	_____

## Financial System Access Roles (Pentamation)

Technology Support Services is responsible for granting user access to eFinancePlus upon approval by Business Services. Technology has created the following four roles in order to grant appropriate access to eFinance Plus:

- Budget Manager
- Budget Manager Assistant
- Budget Prep User
- Warehouse User

(1) The **Budget Manager Role** has access to do the following in eFinancePlus:  
(This role is generally designed to provide access to budget managers that authorize disbursements for the division. Includes employees such as Assistant Superintendents and Directors)

- MAY APPROVE REQUISITIONS
- MAY RUN AUDIT TRAIL REPORTS
- SUPERVISOR FOR DISPLAYS AND QUERIES (Read-only permission to view financial data)
- SUPERVISOR FOR FINANCIAL STATEMENTS (Expenditure Status reports, etc.: Reports > Fund Acct > Financial Statements)
- MAY ENTER/UPDATE REQUISITIONS
- MAY PRINT REQUISITIONS
- MAY RUN PURCHASING REPORTS
- MAY ENTER/UPDATE CHANGE ORDERS
- MAY RUN RECEIVE ORDERED MATERIAL
- MAY RUN QUERIES FOR PURCHASING
- MAY RUN FUND ACCOUNTING REPORTS
- MENU USER (Required to see menu item on the left hand side.)

(2) The **Budget Manager Assistant Role** has access to do the following in eFinancePlus:  
(This role is generally designed to provide access to budget managers assistant that enter information but cannot authorize disbursements for the division. Includes employees such as administrative assistants and secretaries)

- MAY RUN AUDIT TRAIL REPORTS
- SUPERVISOR FOR DISPLAYS AND QUERIES (Read-only permission to view financial data)

- SUPERVISOR FOR FINANCIAL STATEMENTS (Expenditure Status reports, etc.: Reports > Fund Acct > Financial Statements)
- MAY ENTER/UPDATE REQUISITIONS
- MAY PRINT REQUISITIONS
- MAY RUN PURCHASING REPORTS
- MAY ENTER/UPDATE CHANGE ORDERS
- MAY RUN RECEIVE ORDERED MATERIAL
- MAY RUN QUERIES FOR PURCHASING
- MENU USER (Required to see menu item on the left-hand side.)

(3) The **Budget Prep User Role** has access to do the following in eFinancePlus:  
(This role is generally designed to provide access to budget prep users that enter information in the budget section for budget manager approval. Includes employees such as administrative assistants and secretaries)

- MAY RUN BUDGET REPORTS
- MAY RUN USER DEFINED REPORTS
- MAY RUN EXPENDITURE BUDGET REPORT
- MAY RUN DETAIL EXPENDITURE BUDGET REPORT
- MAY RUN REVENUE BUDGET REPORT
- MAY RUN DETAIL REVENUE BUDGET REPORT
- MAY RUN TASK BUDGET REPORT
- MAY RUN PROJECT BUDGET REPORT
- MAY RUN TASK BUDGET SUMMARY REPORT
- MAY RUN 5 YEAR EXPENDITURE REPORTS
- MAY RUN 5 YEAR REVENUE REPORTS
- MAY RUN 5 YEAR PROJECT REPORTS
- MAY PRINT GENERIC EXPENSE REPORT
- MAY PRINT GENERIC REVENUE REPORT
- MAY PRINT GENERIC PROJECT REPORT
- MAY ENTER ALL BUDGET FIELDS (EXPENDITURE.)
- MAY ENTER ALL BUDGET FIELDS (REVENUE.)
- MAY ENTER ALL BUDGET FIELDS (PROJECTS.)

(4) The **Warehouse User Role** has access to do the following in eFinancePlus:  
(This role is generally designed to provide access to warehouse users that enter information for budget manager approval. Includes employees such as administrative assistants and secretaries)

- MAY ENTER WAREHOUSE REQUISITIONS
- MAY RUN WAREHOUSE DISPLAYS AND QUERIES

Technology Support Services will not remove or add permissions on the above four roles without resubmitting a copy of this document (with the changes) to Business Services for approval. These access roles are effective June 10, 2015.

Directory of Technology:

Danny Vu \_\_\_\_\_

Date: \_\_\_\_\_

Assistant Superintendent for Business Service:

Jesus Amezcua \_\_\_\_\_

Date: \_\_\_\_\_



1889



**HARRIS COUNTY DEPARTMENT OF EDUCATION**

**CHOICE PARTNERS COOPERATIVE**

**10.0 Attachments**

Issued by:

Choice Partners

6005 Westview Drive

Houston, TX 77055

Phone: 713-696-1337 | Fax: 713-696-0732

[www.choicepartners.org](http://www.choicepartners.org)

Name of Company Submitting Proposal: \_\_\_\_\_



## TABLE OF CONTENTS

Items below are components which comprise this bid/proposal package. Respondents are asked to review the proposal document and attachments package to be sure that all applicable parts are included. If any portion of the package is missing, please notify buyer immediately.

This attachment package must be completed, executed, and dated by the authorized bidder and must be scanned and uploaded in the Response Attachments section of your proposal in the HCDE eBid System

### Attachments:

A) Execution of Offer .....	3
B) IRS Form W-9.....	4
C) Vendor Questionnaire.....	8
D) Proposer Certification Forms.....	9
E) Antitrust Certification.....	15
F) Conflict of Interest Questionnaire .....	16
G) Certificate of Interested Parties.....	19
H) Felony Conviction Form.....	21
I) SB9 Contractor Certification Form: Contractor Employees.....	22
J) SB9 Contractor Certification Form: Subcontractor .....	23
K) Cooperative Listing .....	24
L) Confidentiality Declaration Form.....	25
M) Buy American Certification.....	27

## EXECUTION OF OFFER

The undersigned Proposer has carefully examined all instructions, requirements, specifications, terms and conditions of this RFP and the Agreement and certifies:

1. It is a reputable company regularly engaged in providing goods and/or services necessary to meet the requirements, specifications, terms and conditions of the RFP and the Agreement.
2. It has the necessary experience, knowledge, abilities, skills, and resources to satisfactorily perform the requirements, specifications, terms and conditions of the RFP and the Agreement. Further, if awarded, the Proposer agrees to perform the requirements, specifications, terms and conditions of the RFP and the Agreement.
3. All statements, information, and representations prepared and submitted in response to this RFP are current, complete, true, and accurate. Proposer acknowledges that HCDE will rely on such statements, information, and representations in selecting the successful Proposer(s).
4. It is not currently barred or suspended from doing business with the Federal government, any of the members represented, or any of their respective agencies.
5. It shall be bound by all statements, representations, warranties, and guarantees made in its proposal.
6. Submission of a proposal indicates the Proposer's acceptance of the evaluation technique and the Proposer's recognition that some subjective judgments may be made by HCDE and its membership as part of the evaluation.
7. That all of the requirements of this RFP and the Agreement have been read and understood. In addition, compliance with all requirements, terms and conditions will be assumed by HCDE if not otherwise noted in the proposal.
8. The individual signing below has authority to enter into this on behalf of Proposer.
9. Proposer acknowledges that the Agreement may be canceled if any conflict of interest or appearance of a conflict of interest is discovered by HCDE.
10. This Agreement is subject to purchase orders duly authorized and executed by HCDE.

<b>CORPORATE NAME:</b>			
<b>AUTHORIZED SIGNATURE:</b>			
<b>PRINT NAME:</b>			
<b>TITLE:</b>			
<b>DATE:</b>			
<b>ADDRESS:</b>			
<b>CITY, STATE, ZIP CODE:</b>			
<b>PHONE:</b>		<b>FAX:</b>	
<b>EMAIL ADDRESS:</b>			
<b>WEBSITE URL</b>			

### This Section to be Completed by HCDE

Contract Number: \_\_\_\_\_ Term of contract: \_\_\_\_\_ to \_\_\_\_\_

Vendor shall honor all CPC Administrative Fees for any sales resulting from this Contract whether Vendor is awarded a renewal or not.

Approved by Harris County Department of Education:

\_\_\_\_\_  
Jesus J. Amezcua, PhD., CPA, RSTBA  
Assistant Superintendent for Business Services

\_\_\_\_\_  
Board Approval Date

# Request for Taxpayer Identification Number and Certification

Give Form to the  
requester. Do not  
send to the IRS.

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification:  Individual/sole proprietor      C Corporation      S Corporation      Partnership      Trust/estate  Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶  <input type="checkbox"/> Other (see instructions) ▶	Exemptions (see instructions):  Exempt payee code (if any)  Exemption from FATCA reporting code (if any)
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
List account number(s) here (optional)		

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number								
			-			-		

Employer identification number								
			-					

## Part II Certification

Under penalties of perjury, I certify that:

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
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (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
3. I am a U.S. citizen or other U.S. person (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** 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 the certification, but you must provide your correct TIN. See the instructions on page 3.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶
------------------	----------------------------	--------

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** The IRS has created a page on IRS.gov for information about Form W-9, at [www.irs.gov/w9](http://www.irs.gov/w9). Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

## Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the

withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

**Note.** If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity,
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust, and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

### Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* on page 1.

**What is FATCA reporting?** The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

## Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

**Sole proprietor.** Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

**Partnership, C Corporation, or S Corporation.** Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

**Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulation section 301.7701-2(c)(2)(iii). Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

**Note.** Check the appropriate box for the U.S. federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

**Limited Liability Company (LLC).** If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the U.S. federal tax classification in the space provided. If you are an LLC that is treated as a partnership for U.S. federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation, as appropriate. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for U.S. federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

**Other entities.** Enter your business name as shown on required U.S. federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

### Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the *Exemptions* box, any code(s) that may apply to you. See *Exempt payee code* and *Exemption from FATCA reporting code* on page 3.

**Exempt payee code.** Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends. Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.

**Note.** If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following codes identify payees that are exempt from backup withholding:

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a) 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt payees 1 through 5 <sup>2</sup>
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

**Exemption from FATCA reporting code.** The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements.

- A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
- B—The United States or any of its agencies or instrumentalities
- C—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
- D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)
- E—A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)
- F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a) J—

A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

## Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at [www.ssa.gov](http://www.ssa.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting [IRS.gov](http://IRS.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt payee code* earlier.

**Signature requirements.** Complete the certification as indicated in items 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

**What Name and Number To Give the Requester**

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee <sup>1</sup>
b. So-called trust account that is not a legal or valid trust under state law	The actual owner <sup>1</sup>
5. Sole proprietorship or disregarded entity owned by an individual	The owner <sup>3</sup>
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

\*Note. Grantor also must provide a Form W-9 to trustee of trust.

**Note.** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

**Secure Your Tax Records from Identity Theft**

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.** Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: [spam@uce.gov](mailto:spam@uce.gov) or contact them at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 1-877-IDTHEFT (1-877-438-4338).

Visit [IRS.gov](http://IRS.gov) to learn more about identity theft and how to reduce your risk.

**Privacy Act Notice**

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

**HARRIS COUNTY DEPARTMENT OF  
EDUCATION VENDOR QUESTIONNAIRE**

(Please check ALL appropriate boxes below)

---

**CERTIFICATION OF RESIDENCY**

---

The State of Texas has a law concerning non-resident vendors. This law can be found in Texas Education Code under Chapter 2252, Subchapter A. This law makes it necessary for HCDE to determine the residency of its Vendors. In part, this law reads as follows:

Section: 2252.001: "Non-resident bidder" refers to a person who is not a resident. "Resident bidder" refers to a person whose principal place of business is in this state, including a vendor whose ultimate parent company or majority owner has its principal place of business in this state.

Section: 2252.002: "A governmental entity may not award a governmental contract to a non resident bidder unless the nonresident underbids the lowest bid submitted by a resident bidder by an amount that is not less than the amount by which a resident bidder would be required to underbid the nonresident bidder to obtain a comparable contract in the state in which the nonresident's principal place of business is located."

Company submitting bid is a resident bidder:

☐ Yes    ☐ No

City and state of vendor's principal place of business: \_\_\_\_\_

---

**MINORITY/WOMEN BUSINESS ENTERPRISE (MWBE) AND  
HISTORICALLY UNDERUTILIZED BUSINESSES (HUB)**

---

Bidding companies that have been certified by the State of Texas as Historically Underutilized Business (HUB) or Minority/Women Business Enterprise (MWBE) entities are encouraged to indicate their HUB and MWBE status when responding to this Bid Invitation.

Vendor certifies that this firm is a MWBE (Required by some participating agencies)

☐ Yes    ☐ No

Vendor certifies that this firm is a HUB (Required by some participating agencies)

☐ Yes    ☐ No

Please scan a copy of MWBE and/or HUB certification letter and the percentage of your business with MWBE and/or HUB suppliers, if applicable, in your proposal response in the Response Attachments section of the HCDE eBid System.

---

**I, the authorized representative for the company named below, certify that the information concerning residency certification, and MWBE and HUB certifications have been reviewed by me and the information furnished is true to the best of my knowledge.**

Contractor's Name/Company Name: \_\_\_\_\_

Address, City, State, and Zip Code: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Printed Name and Title of Authorized Representative: \_\_\_\_\_

Email Address: \_\_\_\_\_

Signature of Authorized Representative: \_\_\_\_\_

Date: \_\_\_\_\_

**HARRIS COUNTY DEPARTMENT OF EDUCATION  
PROPOSER/VENDOR CERTIFICATION FORMS**

---

**CERTIFICATION REGARDING TERRORIST ORGANIZATIONS &  
BOYCOTTING OF ISRAEL**

---

Vendor hereby certifies that it is not a company identified on the Texas Comptroller's list of companies known to have contracts with, or provide supplies or services to, a foreign organization designated as a Foreign Terrorist Organization by the U.S. Secretary of State. Vendor further certifies and verifies that neither Vendor, nor any affiliate, subsidiary, or parent company of Vendor, if any (the "Vendor Companies"), boycotts Israel, and Vendor agrees that Vendor and Vendor Companies will not boycott Israel during the term of this Agreement. For purposes of this Agreement, the term "boycott" shall mean and include terminating business activities or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory.

\_\_\_\_\_ Initials of Authorized Representative of Vendor

---

**CERTIFICATION REGARDING EMPLOYMENT ASSISTANCE PROHIBITED**

---

Vendor certifies and agrees that it shall not assist an employee, contractor, or agent of HCDE or of any other school district in obtaining a new job if the Vendor knows, or has probable cause to believe, that the individual engaged in sexual misconduct regarding a minor or student in violation of the law. Routine transmission of an administrative or personnel file does not violate this prohibition. *See* HCDE Policy CJ (Legal) and (Local).

\_\_\_\_\_ Initials of Authorized Representative of Vendor

---

**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 or any CP member for any contract resulting from this procurement process.**

**(A) Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, 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 or any CP member, HCDE/CP member reserves all rights and privileges under the applicable laws and regulations 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 or any CP member, HCDE/CP member 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 schedules, deadlines, and/or delivery dates within the time specified in the procurement solicitation, contract, and/or a purchase order; (2) make any payments owed; or (3) otherwise perform in accordance with the contract and/or the procurement solicitation. HCDE/CP member also reserve the right to terminate the contract immediately, with written notice to vendor, for convenience, if HCDE/CP member believes, in its sole discretion that it is in the best interest of HCDE/CP member to do so. The vendor will be compensated for work performed and accepted and goods accepted by HCDE/CP member as of the termination date if the contract is terminated for convenience of HCDE/CP



member. Any award under this procurement process is not exclusive and HCDE/CP member reserves the right to purchase goods and services from other vendors when it is in the best interest of HCDE/CP member.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

**(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, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “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 or CP member 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. 3141-3148).** 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 3146-3148) 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 Copeland “Anti-Kickback” Act (40 U.S.C. 3145), 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 subrecipient 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 or any CP member, 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. 3701-3708).** 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 compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible 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 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 purchases 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 or any CP member, the vendor certifies that during the term of an award for all contracts by HCDE/CP member 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 or any CP member, the vendor certifies that during the term of an award for all contracts by HCDE/CP member 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. 1251-1387), as amended—Contracts and subgrants of amounts 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- 1387). 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 or any CP member, the vendor certifies that during the term of an award for all contracts by HCDE/CP member 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 (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains 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 or any CP member, the vendor certifies that during the term of an award for all contracts by HCDE/CP member resulting from this procurement process, the vendor certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency or by the State of Texas. Vendor shall immediately provide written notice to HCDE/CP if at any time the vendor learns that this certification was erroneous when submitted or has become erroneous by reason of changed circumstances. HCDE/CP may rely upon a certification of a vendor that the vendor is not debarred, suspended, ineligible, or voluntarily excluded from the covered contract, unless HCDE/CP knows the certification is erroneous.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

**(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid 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 or any CP member, the vendor certifies that during the term and after the awarded term of an award for all contracts by HCDE/CP member 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 by 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 grant, 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, grant, loan, 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 subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certificate is a prerequisite for making or entering into this transaction imposed by Section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

- (J) Procurement of Recovered Materials – When federal funds are expended by HCDE or any CP member, HCDE/CP members and their contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include: (1) procuring only items designated in 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; (2) procuring solid waste management services in a manner that maximizes energy and resource recovery; and (3) establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.**

Pursuant to Federal Rule (J) above, when federal funds are expended HCDE or any CP member, as required by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6962(c)(3)(A)(i)), the vendor certifies, by signing this document, that the percentage of recovered materials content for EPA-designated items to be delivered or used in the performance of the contract will be at least the amount required by the applicable contract specifications or other contractual requirements.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

- (K) Required Affirmative Steps for Small, Minority, And Women-Owned Firms for Contracts Paid for with Federal Funds – 2 CFR § 200.321 – When federal funds are expended by HCDE or any CP member, Vendor is required to take all affirmative steps set forth in 2 CFR 200.321 to solicit and reach out to small, minority and women owned firms for any subcontracting opportunities on the project, including: 1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists; 2) Assuring that small and minority**

businesses, and women's business enterprises are solicited whenever they are potential sources; 3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises; 4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; and 5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**RECORD RETENTION REQUIREMENTS FOR CONTRACTS PAID FOR WITH FEDERAL FUNDS –  
2 CFR § 200.333**

---

When federal funds are expended by HCDE or any CP member 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 grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**CERTIFICATION OF COMPLIANCE WITH EPA REGULATIONS  
APPLICABLE TO GRANTS, SUBGRANTS, COOPERATIVE AGREEMENTS, AND CONTRACTS  
IN EXCESS OF \$100,000 OF FEDERAL FUNDS**

---

When federal funds are expended by HCDE or any CP member 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. 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.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**CERTIFICATION OF COMPLIANCE WITH THE ENERGY POLICY AND CONSERVATION ACT**

---

When federal funds are expended by HCDE or any CP member for any contract resulting from this procurement process, the vendor certifies that the vendor will be in compliance with mandatory 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, 89 Stat. 871).

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**CERTIFICATION OF COMPLIANCE WITH BUY AMERICA PROVISIONS**

---

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.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**CERTIFICATION OF NON-COLLUSION STATEMENT**

---

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.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**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, laws, acts, regulations, etc. as specifically noted above.**

Vendor's Name/Company Name: \_\_\_\_\_  
Address, City, State, and Zip Code: \_\_\_\_\_  
Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_  
Printed Name and Title of Authorized Representative: \_\_\_\_\_  
Email Address: \_\_\_\_\_  
Signature of Authorized Representative: \_\_\_\_\_  
Date: \_\_\_\_\_

## **HCDE CONFLICT OF INTEREST DISCLOSURE STATEMENT**

Harris County Department of Education (HCDE) is required to comply with Texas Local Government Code Chapter 176, Disclosure of Certain Relationships with Local Government Officers. House Bill 23 significantly changed Chapter 176 as well as the required disclosures and the corresponding forms. As of September 1, 2015, any vendor who does business with HCDE or who seeks to do business with HCDE must fill out the new Conflict of Interest Questionnaire (CIQ) whether or not a conflict of interest exists. A conflict of interest exists in the following situations:

- 1) If the vendor has an employment or other business relationship with a local government officer of HCDE or a family member of the officer, as described by section 176.003(a)(2)(A) of the Texas Local Government Code; or
- 2) If the vendor has given a local government officer of HCDE, or a family member of the officer, one or more gifts with the aggregate value of \$100, excluding any gift accepted by the officer or a family member of the officer if the gift is: (a) a political contribution as defined by Title 15 of the Election Code; or (b) a gift of food accepted as a guest; or
- 3) If the vendor has a family relationship with a local government officer of HCDE.

**“Vendor”** means a person who enters or seeks to enter into a contract with a local governmental entity. The term includes an agent of a vendor. The term includes an officer or employee of a state agency when that individual is acting in a private capacity to enter into a contract. The term does not include a state agency except for Texas Correctional Industries. *Texas Local Government Code 176.001(7).*

**“Business relationship”** means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on: (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity; (B) a transaction conducted at a price and subject to terms available to the public; or (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency. *Texas Local Government Code 176.001(3).*

**“Family relationship”** means a relationship between a person and another person within the third degree by consanguinity or the second degree by affinity, as those terms are defined by Subchapter B, Chapter 573, Government Code. *Texas Local Government Code 176.001(2-a).*

**“Local government officer”** means: (A) a member of the governing body of a local governmental entity; (B) a director, superintendent, administrator, president, or other person designated as the executive officer of a local governmental entity; or (C) an agent of a local governmental entity who exercises discretion in the planning, recommending, selecting, or contracting of a vendor. *Texas Local Government Code 176.001(4).*

- ***HCDE Board of Trustees and Superintendent include:***

Mr. Josh Flynn, President	Mr. Don Sumners
Dr. George Moore, Vice President	Mr. Eric Dick
Mr. Richard Cantu	Dr. Danyahel Norris
Mr. Michael Wolfe	Mr. James Colbert, Jr., Superintendent

- ***Current local government officers include, but are not limited to:***

Jesus J. Amezcua	Danielle Bartz
Jonathan Parker	Natasha Truitt
Dr. Kimberly McLeod	Richard Vela
Danielle Clark	

**INSERT ANY OTHERS**

**If no conflict of interest exists, you must fill out Box 1 and type N/A on Box 3 of the CIQ form, sign and date it.**



In the event of changed circumstances, an updated CIQ must be filed within seven (7) business days after the vendor becomes aware that a conflict of interest exists.

<b>CONFLICT OF INTEREST QUESTIONNAIRE</b> <b>For vendor doing business with local governmental entity</b>		<b>FORM CIQ</b>
<p><b>This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.</b></p> <p>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).</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>	<b>OFFICE USE ONLY</b>	
<p><b>1</b> Name of vendor who has a business relationship with local governmental entity.</p>	<p>Date Received</p>	
<p><b>2</b> <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><b>3</b> Name of local government officer about whom the information is being disclosed.</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Name of Officer</p>		
<p><b>4</b> 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 style="margin-top: 20px;">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 style="margin-left: 100px;"> <input type="checkbox"/> Yes      <input type="checkbox"/> No         </p> <p style="margin-top: 10px;">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 style="margin-left: 100px;"> <input type="checkbox"/> Yes      <input type="checkbox"/> No         </p>		
<p><b>5</b> 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><b>6</b> <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><b>7</b></p> <p style="text-align: center;">           _____            Signature of vendor doing business with the governmental entity         </p> <p style="text-align: right; margin-right: 100px;">           _____            Date         </p>		

**CONFLICT OF INTEREST QUESTIONNAIRE**  
**For vendor doing business with local governmental entity**

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

**Local Government Code § 176.001(1-a):** "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

**Local Government Code § 176.003(a)(2)(A) and (B):**

- (a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

\*\*\*

- (2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

- (i) a contract between the local governmental entity and vendor has been executed;
- or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

**Local Government Code § 176.006(a) and (a-1)**

- (a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

- (1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);
- (2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or
- (3) has a family relationship with a local government officer of that local governmental entity.

- (a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

- (1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

- (2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.



## **HCDE CERTIFICATE OF INTERESTED PARTIES – FORM 1295**

**Certificate of Interested Parties (Form 1295 – must be filled out electronically with the Texas Ethics Commission’s online filing application and attached to proposal in the Response Attachment section of the HCDE eBid System)**

HCDE is required to comply with House Bill 1295, which amended the Texas Government Code by adding Section 2252.908, Disclosure of Interested Parties. Section 2252.908 prohibits HCDE from entering into a contract resulting from this RFP with a business entity unless the business entity submits a Disclosure of Interested Parties (Form 1295) to HCDE at the time business entity submits the signed contract. Effective January 1, 2018, the Form 1295 requirement does not apply to: (1) a contract with a publicly traded business entity or wholly owned subsidiary of the same; (2) an electric utility; or (3) a gas utility. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Texas Ethics Commission. The following **definitions** apply:

- (1) **“Business Entity”** means an entity recognized by law through which business is conducted, including a sole proprietorship, partnership, or corporation. TEX. GOV’T CODE § 2252.908(1).
- (2) **“Interested Party”** means a person:
  - a) who has a controlling interest in a business entity with whom HCDE contracts; or
  - b) who actively participates in facilitating the contract or negotiating the terms of the contract, including a broker, intermediary, adviser, or attorney for the business entity. TEX. GOV’T CODE § 2252.908(3).
- (3) **“Controlling interest”** means:
  - a) an ownership interest or participating interest in a business entity by virtue of units, percentage, shares, stock, or otherwise that exceeds 10 percent;
  - b) membership on the board of directors or other governing body of a business entity of which the board or other governing body is composed of not more than 10 members; or
  - c) service as an officer of a business entity that has four or fewer officers, or service as one of the four officers most highly compensated by a business entity that has more than four officers. *Subsection (c) does not apply to an officer of a publicly held business entity or its wholly owned subsidiaries.* TEX. ETHICS COMM. RULE 46.3(c).
- (4) **“Intermediary”** means a person who actively participates in the facilitation of the contract or negotiating the contract, including a broker, adviser, attorney, or representative of or agent for the business entity who:
  - a) receives compensation from the business entity for the person’s participation;
  - b) communicates directly with the governmental entity or state agency on behalf of the business entity regarding the contract; and
  - c) is not an employee of the business entity. TEX. ETHICS COMM. RULE 46.3(e).

### **As a “business entity,” all vendors must:**

- (1) **complete Form 1295 electronically** with the Texas Ethics Commission using the online filing application, which can be found at [https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm)
  - **All vendors must complete Form 1295, even if no interested parties exist**
  - In Section 2, insert “Harris County Department of Education”
  - In Section 3, insert the HCDE RFP # for this proposal
- (2) **print a copy of the completed form** (make sure that it has a computer-generated certification number in the “Office Use Only” box)
- (3) have an authorized agent of the business entity **sign the form**
- (4) **submit** the completed Form 1295 by **attaching the form to your proposal in the Response Attachment section of the HCDE eBid System.**

HCDE must acknowledge the receipt of the filed Form 1295 by notifying the Texas Ethics Commission of the receipt of the filed Form 1295 no later than the 30<sup>th</sup> day after receipt by HCDE. After HCDE acknowledges the Form 1295, the Texas Ethics Commission will post the completed Form 1295 to its website with seven business days after receiving notice from HCDE.

<b>CERTIFICATE OF INTERESTED PARTIES</b>		<b>FORM 1295</b>																	
Complete Nos. 1 - 4 and 6 if there are interested parties. Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.		<b>OFFICE USE ONLY</b>																	
<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="font-size: 2em; transform: rotate(-45deg); opacity: 0.5; pointer-events: none;">             Must file online at <a href="http://www.ethics.state.tx.us/File">www.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. <div style="color: red; font-style: italic;">Harris County Department of Education</div>																			
<b>3</b> Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract. <div style="color: red; font-style: italic;">HCDE RFPNo. &lt;insert RFP No. here&gt;</div>																			
<b>4</b> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable) <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 50%; padding: 2px;">Controlling</th> <th style="width: 50%; padding: 2px;">Intermediary</th> </tr> </thead> <tbody> <tr><td style="height: 20px;"></td><td></td></tr> <tr><td style="height: 20px;"></td><td></td></tr> <tr><td style="height: 20px;"></td><td></td></tr> <tr><td style="height: 20px;"></td><td></td></tr> <tr><td style="height: 20px;"></td><td></td></tr> <tr><td style="height: 20px;"></td><td></td></tr> <tr><td style="height: 20px;"></td><td></td></tr> </tbody> </table>		Controlling	Intermediary														
Controlling	Intermediary																		
<b>5</b> Check only if there is NO Interested Party. <span style="float: right;"><input type="checkbox"/></span>																			
<b>6 UNSWORN DECLARATION</b> My name is _____, and my date of birth is _____. My address is _____, _____, _____, _____, _____. <div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <span>(street)</span> <span>(city)</span> <span>(state)</span> <span>(zip code)</span> <span>(country)</span> </div> I declare under penalty of perjury that the foregoing is true and correct. Executed in _____ County, State of _____, on the _____ day of _____, 20_____. <div style="display: flex; justify-content: flex-end; font-size: 0.8em;"> <span>(month)</span> <span>(year)</span> </div> <div style="text-align: right; margin-top: 20px;">           _____            Signature of authorized agent of contracting business entity            (Declarant)         </div>																			
<b>ADD ADDITIONAL PAGES AS NECESSARY</b>																			

**HARRIS COUNTY DEPARTMENT OF EDUCATION  
FELONY CONVICTION NOTICE FORM**

**FELONY CONVICTION NOTIFICATION**

State of Texas Legislative Senate Bill No. 1 Section 44.034, Notification of Criminal History, Subsection (a), states “a person or business entity that enters into an agreement with a school district must give advance notice to the district if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony”.

Subsection (b) states “a school district may terminate the agreement with a person or business entity if the district determines that the person or business entity failed to give notice as required by Subsection (a), or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract”.

Subsection (c) states “this section does not apply to a publicly held corporation”.

-----

I, the undersigned agent for the firm named below, certify that the information concerning notification of felony convictions has been reviewed by me and the information furnished is true to the best of my knowledge.

Contractor's Name/Company Name: \_

Authorized Official's Name (Printed or Typed): \_

**You must select one and sign below:**

- ☐ Firm is a publicly held corporation; therefore the above reporting requirement does not apply per Section 44.034, Texas Education Code, Subsection (c).
- ☐ Contractor/Firm **is not** owned nor operated by anyone who has been convicted of a felony.
- ☐ Contractor/Firm **is** operated or owned by the following individual(s) who has/have been convicted of a felony:

Name of Individual(s): \_\_\_\_\_

Detail of Conviction(s): \_\_\_\_\_

*(Attach additional pages if necessary.)*

Signature of Company Official: \_\_\_\_\_

Date: \_\_\_\_\_

## **SB 9 Contractor Certification: Contractor Employees**

(As applicable)

**Background:** Texas Education Code Chapter 22 requires entities that contract with school districts to obtain criminal history records on covered employees. Covered employees with disqualifying criminal histories are prohibited from serving at a school district. Contractors must certify to HCDE that they have complied and must obtain similar certifications from their subcontractors. *See SB 9 Contractor Certification: Subcontractor attachment.* The law requires each contractor to obtain the criminal histories of its covered employees. For more information or to set up an account, a contractor should contact the Texas Department of Public Safety's Crime Records Service at 512.424.2474.

### **Definitions:**

**Covered employees:** Employees of a contractor who have or will have continuing duties related to the service to be performed at a school district and have or will have direct contact with students. HCDE will be the final arbiter of what constitutes *continuing duties* and *direct contact* with students.

**Public Works Exception to Covered Employees:** Covered employees do not include employees of a contracting or subcontracting entity that is providing engineering, architectural, or construction services on a project to design, construct, alter, or repair a public work if: (1) the public work does not involve the construction, alteration, or repair of an instructional facility as defined by Texas Education Code Section 46.001; (2) the employee's duties will be completed more than seven (7) days before a new instructional facility will be used for instruction; or (3) for an existing instructional facility, the work area contains sanitary facilities separated from all areas used by students by a fence at least six (6) feet high, and the Contractor adopts, informs employees of, and enforces a policy prohibiting employees and any subcontractor's employees from interacting with students or entering areas used by students.

**Disqualifying criminal history:** (1) a conviction or other criminal history information designated by HCDE; (2) a felony or misdemeanor offense that would prevent a person from being employed under Texas Education Code § 22.085(a), that is: if at the time of the offense, the victim was under 18 or was enrolled in a public school: (a) a felony offense under Title 5, Texas Penal Code; (b) an offense on conviction for which a defendant is required to register as a sex offender under Chapter 62, Texas Code of Criminal Procedure; or (c) an offense under federal law or the laws of another state that is equivalent to (a) or (b).

### **Types of Criminal History Record Information:**

- For employees hired by Contractor before January 1, 2008—Any law enforcement or criminal justice agency;
- For employees hired by Contractor on or after January 1, 2008—National criminal history information from the Texas Department of Public Safety criminal history clearinghouse.

---

On behalf of \_\_\_\_\_ ("Contractor"), I, the undersigned authorized signatory for Contractor, certify to Harris County Department of Education ("HCDE") that [check one]:

[ ] None of Contractor's employees are *covered employees*, as defined above. If this box is checked, I further certify that Contractor has taken precautions or imposed conditions to ensure that its employees will not become *covered employees*. Contractor will maintain these precautions or conditions throughout the time the contracted services are provided.

Or

[ ] Some or all of Contractor's employees are *covered employees*. If this box is checked, I further certify that:

- (1) Contractor has obtained all required criminal history record information regarding its covered employees. None of the covered employees has a disqualifying criminal history.
- (2) If Contractor receives information that a covered employee subsequently has a reported criminal history, Contractor will immediately remove the covered employee from contract duties and notify HCDE in writing within 3 business days.
- (3) Upon request, Contractor will provide HCDE with the name and any other requested information of covered employees so that HCDE may obtain criminal history record information on the covered employees.

If HCDE (or a CP member) objects to the assignment of a covered employee on the basis of the covered employee's criminal history record information, Contractor agrees to discontinue using that covered employee to provide services at HCDE (or CP member's location).

I also certify to HCDE on behalf of Contractor that Contractor has obtained certifications from its subcontractors of compliance with Texas Education Code, Chapter 22. Noncompliance or misrepresentation regarding this certification may be grounds for contract termination.

---

Signature

---

Title

---

Date

## SB 9 Contractor Certification: Subcontractor

(As applicable)

**Background:** Texas Education Code Chapter 22 requires entities that contract with school district contractors to obtain criminal history records regarding covered employees. Covered employees with disqualifying criminal histories are prohibited from serving at a school district. Subcontractors must certify to HCDE and to the contractor that they have complied. The law requires each subcontractor to obtain the criminal histories of its covered employees. For more information or to set up an account, a contractor should contact the Texas Department of Public Safety's Crime Records Service at 512.424.2474.

### Definitions:

Covered employees: Employees of a subcontractor who have or will have continuing duties related to the service to be performed at a school district and have or will have direct contact with students. HCDE will be the final arbiter of what constitutes *continuing duties* and *direct contact* with students.

Public Works Exception to Covered Employees: Covered employees do not include employees of a contracting or subcontracting entity that is providing engineering, architectural, or construction services on a project to design, construct, alter, or repair a public work if: (1) the public work does not involve the construction, alteration, or repair of an instructional facility as defined by Texas Education Code Section 46.001; (2) the employee's duties will be completed more than seven (7) days before a new instructional facility will be used for instruction; or (3) for an existing instructional facility, the work area contains sanitary facilities separated from all areas used by students by a fence at least six (6) feet high, and the Contractor adopts, informs employees of, and enforces a policy prohibiting employees and any subcontractor's employees from interacting with students or entering areas used by students.

Disqualifying criminal history: (1) a conviction or other criminal history information designated by HCDE; (2) a felony or misdemeanor offense that would prevent a person from being employed under Texas Education Code § 22.085(a), that is: if at the time of the offense, the victim was under 18 or was enrolled in a public school: (a) a felony offense under Title 5, Texas Penal Code; (b) an offense on conviction for which a defendant is required to register as a sex offender under Chapter 62, Texas Code of Criminal Procedure; or (c) an offense under federal law or the laws of another state that is equivalent to (a) or (b).

---

Subcontractor has entered into a contract with \_\_\_\_\_ ("Contractor"), to provide services in connection with the contract between Harris County Department of Education ("HCDE") and Contractor. I, the authorized signatory for Subcontractor, certify to HCDE and Contractor that [check one]:

☐ None of Subcontractor's employees are *covered employees*, as defined above. If this box is checked, I further certify that Subcontractor has taken precautions or imposed conditions to ensure that its employees will not become *covered employees*. Subcontractor will maintain these precautions or conditions throughout the time the contracted services are provided.

Or

☐ Some or all of Subcontractor's employees are *covered employees*. If this box is checked, I further certify that:

- (1) Subcontractor has obtained all required criminal history record information regarding its covered employees. None of the covered employees has a disqualifying criminal history.
- (2) If Subcontractor receives information that a covered employee subsequently has a reported criminal history, Subcontractor will immediately remove the covered employee from contract duties and notify HCDE in writing within 3 business days.
- (3) Upon request, Subcontractor will provide HCDE with the name and any other requested information of covered employees so that HCDE may obtain criminal history record information on the covered employees.

If HCDE (or a CP member) objects to the assignment of a covered employee on the basis of the covered employee's criminal history record information, Subcontractor agrees to discontinue using that covered employee to provide services at HCDE (or CP member's location).

I also certify to HCDE and Contractor on behalf of Subcontractor that Subcontractor has obtained certifications from its subcontractors of compliance with Texas Education Code, Chapter 22. Noncompliance or misrepresentation regarding this certification may be grounds for contract termination.

---

Signature

---

Title

---

Date

## Cooperatives

List any other cooperative contracts currently held by Vendor.

COOPERATIVE NAME	DISCOUNT OFFERED	CONTRACT EXPIRATION DATE
<input type="checkbox"/> Choice Partners		
<input type="checkbox"/> Buy Board – Texas Local GOV'T. Purchasing Cooperative		
<input type="checkbox"/> The Cooperative Purchasing Network (TCPN)		
<input type="checkbox"/> Houston Galveston Council of Governments Cooperative (H-GAC)		
<input type="checkbox"/> National Joint Powers Alliance (NJPA)		
<input type="checkbox"/> Cooperative Educational Services (CES) – New Mexico		
<input type="checkbox"/> Educational & Institutional Cooperative Services, Inc. (E&I)		
<input type="checkbox"/> GSA		
<input type="checkbox"/> ESC Region 20 Cooperative (PACE)		
<input type="checkbox"/> ESC Region 19 Cooperative (Allied States Cooperative)		
<input type="checkbox"/> ESC Region 8 Cooperative (TIPS/TAPS)		
<input type="checkbox"/> ESC Region 7 Cooperative		
<input type="checkbox"/> ESC Region 5 Cooperative		
<input type="checkbox"/> U.S. Communities		
<input type="checkbox"/> TXMAS		
<input type="checkbox"/> <b>Other (Specify):</b>		
<input type="checkbox"/> None		



## **CONFIDENTIALITY DECLARATION FORM**

### **INFORMATION SUBMITTED TO HCDE IN CONNECTION WITH THIS PROCUREMENT SOLICITATION OR THE AGREEMENT IS GOVERNED BY TEXAS GOVERNMENT CODE, CHAPTER 552**

As a governmental body, HCDE is subject to the Texas Public Information Act found in Chapter 552, Texas Government Code. Proposals and other information submitted to HCDE in connection with this procurement solicitation or the Agreement may be subject to release as public information. If a Vendor believes that part(s) of its proposal or any other information submitted by Vendor to HCDE in connection with this procurement solicitation or the Agreement contain confidential, proprietary, and/or trade secret information or otherwise may be excepted from disclosure under Texas law, the Vendor must clearly and conspicuously mark the applicable information as "CONFIDENTIAL."

Marking information as "CONFIDENTIAL" does not guarantee that the information will be withheld from disclosure. If HCDE receives a request for public information involving information that Vendor has clearly and conspicuously marked as "CONFIDENTIAL," HCDE will respond pursuant to Chapter 552, Texas Government Code, which may or may not require that HCDE provide notice of the request to Vendor. Vendor understands and agrees that it is solely responsible for submitting to the Attorney General of Texas each reason why the requested information should be withheld and a letter, memorandum, or brief in support of that reason. HCDE assumes no obligation or responsibility relating to the disclosure or nondisclosure of information submitted by Vendors, and **Vendor hereby waives any claim against and releases from liability HCDE, its respective officers, employees, agents, and attorneys with respect to disclosure of information provided under or in connection with this procurement solicitation or the Agreement or otherwise created, assembled, maintained, or held by Vendor or HCDE and determined by HCDE, the Attorney General of Texas, or a court of law to be subject to disclosure under the Texas Public Information Act. Further, even if Vendor marks information as "CONFIDENTIAL," Vendor expressly agrees that HCDE may disclose Vendor's proposal, including, but not limited to, pricing information, to other governmental entities.**

Please check **ONLY ONE** of the following options:

- ☐ **Declaration of Confidentiality** – Vendor **HAS** clearly and conspicuously marked information contained in its proposal and/or other information submitted by Vendor to HCDE in connection with this procurement solicitation or the Agreement as "CONFIDENTIAL." Vendor declares that the information marked by Vendor as "CONFIDENTIAL" contains confidential, proprietary, and/or trade secret information and is excepted from disclosure under Chapter 552, Texas Government Code.
- ☐ **Waiver of Confidentiality** – Vendor **HAS NOT** marked any information contained in its proposal and/or other information submitted by Vendor to HCDE in connection with this procurement solicitation or the Agreement as "CONFIDENTIAL." Vendor certifies that it has not submitted any confidential, proprietary, and/or trade secret information to HCDE and that its proposal and all other information—including any pricing information—submitted by Vendor to HCDE in connection with this procurement solicitation or the Agreement is subject to disclosure under Chapter 552, Texas Government Code. Vendor hereby expressly waives any claim of confidentiality with respect to its proposal and/or any other information—including any pricing information—submitted by Vendor to HCDE in connection with this procurement solicitation or the Agreement.

\_\_\_\_\_  
Vendor Name

\_\_\_\_\_  
Printed Name of Authorized Officer/Representative of Vendor

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**For Use with Food-Related Requests for Proposals**

---

**COMPLIANCE WITH BUY AMERICAN PROVISION**

---

The Buy American provision, set out in 7 C.F.R. Part 210.21(d), requires participants in the National School Lunch Program and School Breakfast Program to use the nonprofit food service funds, to the maximum extent practical, to buy domestic commodities or products. A “domestic commodity or product” is defined as one that is either produced in the U.S. or is processed in the U.S. substantially using agricultural commodities that are produced in the U.S. “Substantially” means that over 51 percent of the final processed product consists of agricultural commodities that were grown domestically. When USDA Foods items are manufactured into processed end products, 51% of resulting food products must be of United States origin.

**Vendor certifies that, in compliance with the Buy American provision, its products are “domestic commodities or products” as defined by 7 C.F.R. § 210.21(d).**

\_\_\_\_\_ **Initials of Authorized Representative of Vendor**

**Vendor further certifies that its product(s):**\_\_\_\_\_, **were processed in the U.S. and contain at least \_\_\_\_\_% (insert % of weight or volume) of its agricultural food component(s) from the U.S.**

**Alternatively, Vendor hereby acknowledges its products DO NOT comply with the Buy American provision, set forth in 7 C.F.R. § 210.21(d).**

\_\_\_\_\_ **Initials of Authorized Representative of Vendor**

---

**REQUEST FOR EXCEPTION FROM THE BUY AMERICAN PROVISION**

---

Exceptions to the Buy American provision should be utilized as a last resort; however, an exception may be approved upon request. If Vendor did not certify compliance with the Buy American provision above, it may request an exception by checking one or both of the following grounds for an exception:

☐

The product is not produced or manufactured in the U.S. in sufficient and reasonable available quantities of a satisfactory quality.

☐

The costs of a U.S. product are significantly higher than the non-domestic product.

**Vendor certifies that it submits this request for an exception from the Buy American provision in good faith and with the reasonable belief that: (a) the product is not produced or manufactured in the U.S. in sufficient and reasonable available quantities of a satisfactory quality; and/or (b) the costs of a U.S. product are significantly higher than the non-domestic product.**

**YES \_\_\_\_\_ Initials of Authorized Representative of Vendor**

**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, Acts, 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 or any CP member for any contract resulting from this procurement process.**

**(A) Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, 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 or any CP member, HCDE/CP member reserves all rights and privileges under the applicable laws and regulations 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 or any CP member, HCDE/CP member 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 schedules, deadlines, and/or delivery dates within the time specified in the procurement solicitation, contract, and/or a purchase order; (2) make any payments owed; or (3) otherwise perform in accordance with the contract and/or the procurement solicitation. HCDE/CP member also reserve the right to terminate the contract immediately, with written notice to vendor, for convenience, if HCDE/CP member believes, in its sole discretion that it is in the best interest of HCDE/CP member to do so. The vendor will be compensated for work performed and accepted and goods accepted by HCDE/CP member as of the termination date if the contract is terminated for convenience of HCDE/CP member. Any award under this procurement process is not exclusive and HCDE/CP

member reserves the right to purchase goods and services from other vendors when it is in the best interest of HCDE/CP member.

**(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, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “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 or CP member 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. 3141-3148).** 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 3146-3148) 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 Copeland “Anti-Kickback” Act (40 U.S.C. 3145), 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 subrecipient 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 or any CP member, 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. 3701-3708).** 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 compute the wages of every mechanic and laborer on the

basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible 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 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 purchases 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 or any CP member, the vendor certifies that during the term of an award for all contracts by HCDE/CP member 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 or any CP member, the vendor certifies that during the term of an award for all contracts by HCDE/CP member 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. 1251-1387), as amended—Contracts and subgrants of amounts 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- 1387). 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 or any CP member, the vendor certifies that during the term of an award for all contracts by HCDE/CP member 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 (see 2 CFR 180.220) 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 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989**

**Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains 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 or any CP member, the vendor certifies that during the term of an award for all contracts by HCDE/CP member resulting from this procurement process, the vendor certifies that neither it 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 or bid 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 or any CP member, the vendor certifies that during the term and after the awarded term of an award for all contracts by HCDE/CP member 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 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 grant, 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 grant 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

---

**RECORD RETENTION REQUIREMENTS FOR CONTRACTS PAID FOR WITH FEDERAL FUNDS –  
2 CFR § 200.333**

---

When federal funds are expended by HCDE or any CP member 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 grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**CERTIFICATION OF COMPLIANCE WITH EPA REGULATIONS  
APPLICABLE TO GRANTS, SUBGRANTS, COOPERATIVE AGREEMENTS, AND CONTRACTS  
IN EXCESS OF \$100,000 OF FEDERAL FUNDS**

---

When federal funds are expended by HCDE or any CP member 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. 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.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**CERTIFICATION OF COMPLIANCE WITH THE ENERGY POLICY AND CONSERVATION ACT**

---

When federal funds are expended by HCDE or any CP member for any contract resulting from this procurement process, the vendor certifies that the vendor will be in compliance with mandatory 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, 89 Stat. 871).

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**CERTIFICATION OF COMPLIANCE WITH BUY AMERICA PROVISIONS**

---

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.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**CERTIFICATION OF NON-COLLUSION STATEMENT**

---

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.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**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, laws, acts, regulations, etc. as specifically noted above.**

Vendor's Name/Company Name: \_\_\_\_\_

Address, City, State, and Zip Code: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Printed Name and Title of Authorized Representative: \_\_\_\_\_

Email Address: \_\_\_\_\_

Signature of Authorized Representative: \_\_\_\_\_

Date: \_\_\_\_\_



**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, Acts, 73rd Legislature, R.S. (1993), all bidders must complete and submit with the bid the following affidavit:**

I, the undersigned vendor, do hereby acknowledge that NO sole proprietor, partner, majority shareholder of a corporation, or an owner of 10% or more of another business entity is 30 days or more delinquent in paying child support under a court order or a written repayment agreement. I understand that under this provision, a sole proprietorship, partnership, corporation or other entity in which a sole proprietor, partner, majority shareholder or a corporation, or an owner of 10% or more of another entity is 30 days or more delinquent in paying child support under a court order or a written repayment agreement is NOT eligible to bid or receive a state contract.

---

**REQUIRED CONTRACT PROVISIONS FOR NON-FEDERAL ENTITY CONTRACTS  
UNDER FEDERAL AWARDS – APPENDIX II TO 2 CFR PART 200**

---

**The following provisions are required and apply when federal funds are expended by HCDE for any contract resulting from this procurement process.**

**(A) Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, 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 regulations 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 schedules, deadlines, and/or delivery dates within the time specified in the procurement solicitation, contract, and/or a purchase order; (2) make any payments 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 if 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, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “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. 3141-3148).** 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 3146-3148) 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 Copeland “Anti-Kickback” Act (40 U.S.C. 3145), 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 subrecipient 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. 3701-3708).** 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 compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible 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

**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 purchases 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. 1251-1387), as amended—Contracts and subgrants of amounts 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- 1387). 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 (see 2 CFR 180.220) 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 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains 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 it 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 or bid 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 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 grant, 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 grant 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

---

**RECORD RETENTION REQUIREMENTS FOR CONTRACTS PAID FOR WITH FEDERAL FUNDS –  
2 CFR § 200.333**

---

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 grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**CERTIFICATION OF COMPLIANCE WITH EPA REGULATIONS  
APPLICABLE TO GRANTS, SUBGRANTS, COOPERATIVE AGREEMENTS, AND CONTRACTS  
IN EXCESS OF \$100,000 OF FEDERAL FUNDS**

---

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. 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.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**CERTIFICATION OF COMPLIANCE WITH THE ENERGY POLICY AND CONSERVATION ACT**

---

When federal funds are expended by HCDE for any contract resulting from this procurement process, the vendor certifies that the vendor will be in compliance with mandatory 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, 89 Stat. 871).

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**CERTIFICATION OF COMPLIANCE WITH BUY AMERICA PROVISIONS**

---

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.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**CERTIFICATION OF NON-COLLUSION STATEMENT**

---

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.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**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, laws, acts, regulations, etc. as specifically noted above.**

Vendor's Name/Company Name: \_\_\_\_\_

Address, City, State, and Zip Code: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Printed Name and Title of Authorized Representative: \_\_\_\_\_

Email Address: \_\_\_\_\_

Signature of Authorized Representative: \_\_\_\_\_

Date: \_\_\_\_\_

## HARRIS COUNTY DEPARTMENT OF EDUCATION INDEPENDENT ESTIMATE DETERMINATION

Purpose: Federal regulations require documentation of cost analysis or price analysis for every procurement action at or above \$150,000. As part of the analysis, the regulations require documentation of an independent estimate reached before receiving bids or proposals (see 2 C.F.R. § 200.323) or before receiving quotes or proposals from other governmental entities through an interlocal contract or a purchasing cooperative (see 2 C.F.R. § 200.318 (e)). The Independent Estimate Determination is a form used to document HCDE's estimated range of fair and reasonable costs for the goods and/or services to be acquired and to document the analysis **PRIOR** to seeking bids, proposals, or quotes. The form is kept as part of the procurement file along with the cost or price analysis, which is conducted after receiving proposals but before awarding a contract, to demonstrate that the procurement process was conducted in an open and fair manner and that HCDE received the most advantageous price.

Instructions:

1. Complete one (1) Independent Estimate Determination form **PRIOR** to either (1) advertising and receiving bids or proposals or (2) seeking quotes or proposals from other governmental entities through an interlocal contract or a purchasing cooperative, and complete all sections.
2. Provide a detailed discussion of your independent estimate and attach the required supporting information.
3. Sign in blue ink and date the form.
4. Maintain a copy in the procurement/contract file along with the cost or price analysis (as completed before contract award), subject to retention schedules.

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_

Email: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Division: \_\_\_\_\_

Subject: Independent Estimate Determination

### PART I SCOPE AND/OR SPECIFICATIONS

*Please attach documentation reflecting the Scope or Proposal/Work and/or Specifications.  
The attached Scope of Proposal/Work and/or Specifications contains the following (check all that apply):*

For Goods/Equipment	For Services
<input type="checkbox"/> Estimated quantity of items and/or goods required	<input type="checkbox"/> List of services/responsibilities to be performed
<input type="checkbox"/> Detailed description of each item required	<input type="checkbox"/> Detailed list of deliverables/tasks required
<input type="checkbox"/> Specifications and/or drawings for materials required	<input type="checkbox"/> Anticipated contract term and start date
<input type="checkbox"/> Date items and/or goods are required	<input type="checkbox"/> Location of project
<input type="checkbox"/> Delivery address and point of contact	<input type="checkbox"/> Specifications, drawings, and/or pictures of job site or projected

	results
--	---------

## PART II INDEPENDENT ESTIMATE GUIDE

*Below is a guide for the completion of the Independent Estimate Determination. Please attach the documents requested under "items to include with independent estimate" to this Determination.*

Estimate Type	Items to Include with Independent Estimate	Where to Find Supporting Information
Goods/Equipment	<ol style="list-style-type: none"> <li>1. Product needed</li> <li>2. Estimated quantity</li> <li>3. Unit price</li> <li>4. Markups – overheads – profit</li> <li>5. Desired delivery schedule</li> <li>6. Warranty</li> </ol>	<ol style="list-style-type: none"> <li>1. Vendor survey/market survey</li> <li>2. Current or past contracts for the same or similar product</li> <li>3. Historical price and costs data</li> </ol>
<b>Services</b> (other than professional services, as defined by Tex. Educ. Code § 44.031(f) and/or Tex. Gov't Code Ch. 2254)	<ol style="list-style-type: none"> <li>1. Tasks you want done</li> <li>2. Types of people needed</li> <li>3. Positions required</li> <li>4. Estimated hours by position</li> <li>5. Salary/billing rates applied</li> <li>6. Prevailing wage rate category applied (if applicable)</li> <li>7. Profit/applied fee</li> <li>8. Direct expenses</li> <li>9. Completion schedule</li> </ol>	<ol style="list-style-type: none"> <li>1. Current or past contracts for similar services</li> <li>2. Other departments doing similar work</li> <li>3. Historical price and cost data</li> </ol>

## PART III INDEPENDENT ESTIMATE

*Please complete the following form.*

This Independent Estimate is for:      ☐ Goods/Equipment      ☐ Services

Discussion of independent estimate before receiving bids or proposals including HCDE's estimated reasonable price range for the goods and/or services (attach additional explanation if necessary): \_\_\_\_\_

---



---



---



---



---



### Goods/Equipment

Source Used to Develop Independent Estimate of Goods/Equipment (check all that apply and attach supporting documentation):

- ☐ Vendor survey/market survey
- ☐ Current or past contracts for the same or similar product
- ☐ Historical price and costs data
- ☐ Other (please specify source and attach supporting documentation): \_\_\_\_\_

### Services

Source Used to Develop Independent Estimate of Services (check all that apply and attach supporting documentation):

- ☐ Current or past contracts for similar services
- ☐ Other departments doing similar work
- ☐ Historical price and costs data
- ☐ Other (please specify source and attach supporting documentation): \_\_\_\_\_

## PART IV ATTACHMENT CHECKLIST

*The following required documentation is included as attachments to this Independent Estimate Determination (please check boxes to certify compliance with required documentation):*

- ☐ Scope of Proposal/Work and/or Specifications (as required by Part I).
- ☐ For goods/equipment, documentation reflecting the following (as required by Part II):
  - Product needed
  - Estimated quantity
  - Markups-overhead-profits
  - Unit price
  - Desired delivery schedule
  - Warranty
- ☐ For services, documentation reflecting the following (as required by Part II):
  - Tasks you want done
  - Types of people needed
  - Positions required
  - Estimated hours by position
  - Salary/billing rates applied
  - Prevailing wage rate category applied
  - Profit/applied fee
  - Direct expenses
  - Completion schedule
- ☐ Documentation reflecting the source used to develop the independent estimate (as required by Part III).
- ☐ If applicable, additional supporting documentation (e.g., explanation of the process and/or sources used or explanation of the estimate reached). Please provide a brief explanation of the additional documents:

---

---

## PART V CERTIFICATIONS

---

*I certify that I developed this independent estimate prior to receiving bids or proposals as required by 2 C.F.R. § 200.323. I further certify that, to the best of my knowledge and belief, the information provided above and attached hereto is true and correct and that the independent estimate reflects a necessary, fair, and reasonable range of costs or prices for the future procurement.*

\_\_\_\_\_  
Full Name of Individual Preparing Form

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**APPROVED:**

\_\_\_\_\_  
Level One: Full Name of Program Manager (Grant)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
\*Level Two: Full Name of Director of Purchasing

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
\*Level Three: Full Name of Assistant Superintendent for Program (grant)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
\*Level Four: Full Name of Assistant Superintendent for Business

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\* Items above \$50,000

## Harris County Department of Education

### DETERMINATION OF COST OR PRICE ANALYSIS (REASONABLENESS)

---

Purpose: Federal regulations require documentation of cost analysis or price analysis for every procurement action at or above \$150,000 (see 2 C.F.R. § 200.323). The Determination of Cost or Price Reasonableness form is used to document the analysis showing that the offered price is fair and reasonable. The form is kept as part of the procurement file to demonstrate that the procurement process was conducted in an open and fair manner and that the District received the most advantageous price.

Instructions:

1. Complete a separate Determination of Cost or Price Reasonableness form for each vendor being recommended for contract award. Complete all applicable sections according to the instructions given. An incomplete Determination of Cost or Price Reasonableness form cannot be approved.
2. Provide a detailed discussion of your price analysis or cost analysis. A Determination of Cost or Price Reasonableness form that lacks sufficient detail cannot be approved.
3. Sign in blue ink and date the form.
4. Maintain a copy on the grant file subject to retention schedules
5. Submit completed form to the **INSERT TITLE** prior to contract award.

*An improperly completed and/or unsigned form will be returned.*

---

Prepared by: \_\_\_\_\_  
Date: \_\_\_\_\_  
Email: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Department: \_\_\_\_\_  
Subject: Determination of Cost or Price Reasonableness

Good or service to be acquired: \_\_\_\_\_

[Procurement Type, e.g., RFP, RFQ] #: \_\_\_\_\_

Independent Estimate Produced before Receiving Bids or Proposals: ☐ Yes (attach supporting document(s))

Vendor: \_\_\_\_\_

Amount: \_\_\_\_\_

(Attach written quotation or other information that documents the estimate of cost or price reasonableness)  
(As necessary include unit costs, rates, schedules, price estimates, and budgets, etc.)

**I. Procurement Type**

This expenditure of \$150,000 or more is being made under one or more of the following (check those that apply and attach supporting documentation):

**For items A – C, please complete Section II (Price Analysis)**

- A. ☐ Interlocal agreement or purchasing cooperative (TEC 44.031(a)(4) / Tex. Gov't Code Ch. 791; 2 C.F.R. § 200.318(e)), including construction services
- B. ☐ Request for Proposals (or Competitive Sealed Proposals) for goods or services, including construction services
- C. ☐ Competitive Bidding for goods or services, including construction services

**For items D – K, please complete Sections III (Cost Analysis) and IV (Profit)**

- D. ☐ Sole source (as defined under TEC 44.031(j))
- E. ☐ Emergency procurement (as defined under TEC 44.031(h))
- F. ☐ Competitive Bidding, Competitive Sealed Proposal, or Request for Proposals (where the solicitation is publically posted) where only one (1) bid/proposal is received
- G. ☐ Professional services (as defined under TEC 44.031(f) and/or Ch. 2254 of the Tex. Gov't Code) where no price competition exists prior to selection
- H. ☐ Design Build; Construction Manager-Agent
- I. ☐ Price adjustment to Purchase Order No. \_\_\_\_\_ or Contract No. \_\_\_\_\_ (and already procured under item A – I)
- J. ☐ Extension of an existing contract past its initial term. Contract extension is allowed under procurement method or contract, if allowed by Board policy.
- K. ☐ Cost-reimbursement contract

***Note: When using federal funds, Construction Manager-at-Risk or other Cost-Plus contracts are prohibited.***

**II. Price Analysis: If the expenditure is being made under items A, B, or C in Section I (Procurement Type) above, complete this Section only. You are not required to complete Sections III or IV.**

**Price offered is considered fair and reasonable for the following reason(s), and if applicable, is supported by attached documentation and/or a detailed discussion of the price analysis (select at least one applicable situation):**

- ☐ Comparison of previous district purchase order and contract prices with current proposed price, for the same or similar items. Both the validity of the comparison and the reasonableness of the previous price(s) have been established. *Attach the referenced purchase orders/contracts, amounts, issuance dates, and how they are similar to the current purchase.*
- ☐ Comparison with Vendor's published price lists, market prices, pricing indexes, and discount or rebate arrangements. *Attach published price list or other published pricing information used (a vendor's quotation or correspondence does not qualify as a published price list).*
- ☐ Comparison of proposed price with independent estimates, which were determined to be allowable under 2 C.F.R. Part 200, Subpart E—Cost Principles. *Attach estimates used.*
- ☐ Comparison of proposed price with prices obtained through market research for the same or similar items. *Attach documentation of research conducted.*
- ☐ The order is priced in accordance with existing **INSERT DISTRICT** Purchase Order No. \_\_\_\_\_ and/or **INSERT DISTRICT** Contract No. \_\_\_\_\_, which was competitively established.
- ☐ Other reason (specify and attach supporting documentation if applicable):

---



---



---

III. **Cost Analysis:** *If you selected D–K in Section I (Procurement Type), complete this Section and attach a detailed breakdown of the vendor's proposed costs (e.g., labor, materials, profit, reimbursable expenses).*

After analyzing and verifying vendor's cost information, it is determined that each of the cost items listed by the vendor is allocable, reasonable, necessary, and therefore, allowable in accordance with 2 C.F.R. Part 200, Subpart E—Cost Principles for the following reason(s) *(select at least one applicable situation and attach supporting documentation and/or a detailed discussion of the cost analysis):*

- ☐ Comparison of costs proposed with actual costs previously incurred by the same vendor for the same or similar work.
- ☐ Comparison of costs proposed with actual costs of previous same or similar work performed by other vendors.
- ☐ Comparison of costs proposed with previous cost estimates from the vendor or other vendors for the same or similar items or work.
- ☐ Comparison of costs proposed with the District's independent estimate, which was determined to be allowable under 2 C.F.R. Part 200, Subpart E—Cost Principles. *Attach independent estimate.*
- ☐ Comparison of costs proposed with the methods proposed by vendor with the requirements of the solicitation, *i.e., do the costs reflect the technical approach proposed and the work required?*
- ☐ Verification that the costs proposed conforms to the appropriate set of cost principles.
- ☐ Verification of the accuracy of the cost and pricing information submitted and evaluating the application of audited or pre-negotiated (e.g., by the Federal Government) indirect cost (e.g., overhead) rates, labor and fringe benefit rates, or other factors.
- ☐ Verification of the accuracy of cost and pricing information proposed and evaluation of the effect of vendor's current practices on future costs.
- ☐ Verification of the accuracy of the cost and pricing information submitted and evaluation of vendor's projected cost trends.
- ☐ Other reason *(specify and attach supporting documentation if applicable):*

---



---



---



---

IV. **Profit:** *If you selected D – K in Section I (Procurement Type), complete this Section.*

Negotiated profit amount (attach supporting documentation): \_\_\_\_\_

Profit negotiated is considered fair and reasonable for the following reasons, and is supported by attached documentation and/or a detailed discussion of the cost or price analysis *(you must complete each item below and explain reasoning; attach additional pages and/or supporting documents if necessary):*

- ☐ Consideration of the complexity of the work to be performed. \_\_\_\_\_  


---



---
- ☐ Consideration of the risk borne by the contractor. \_\_\_\_\_  


---



---
- ☐ Consideration of the contractor's investment. \_\_\_\_\_  


---



---

- ☐ Consideration of the amount of subcontracting. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- ☐ Consideration of the quality of contractor's record of past performance. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- ☐ Consideration of industry profit rates in the surrounding geographical area for similar work. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**CERTIFICATION:**

*I certify that the information provided above is true and correct to the best of my knowledge and belief. I further certify that I have determined that the costs or prices proposed are necessary, fair, and reasonable.*

\_\_\_\_\_  
Full Name of Individual Preparing Form

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**APPROVED:**

\_\_\_\_\_  
\*Level One: Full Name of Director of Purchasing

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
\*Level Two: Full Name of Assistant Superintendent for Program (grant)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
\*Level Three: Full Name of Assistant Superintendent for Business

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\* Items above \$50,000

## **CONSULTANT SERVICES CONTRACT**

This Consultant Services Contract (“Contract”) is made and entered into by and between the Harris County Department of Education (“HCDE”), located in Houston, Texas 77022 and \_\_\_\_\_, (“Consultant”), located at \_\_\_\_\_, for Consultant to provide services to HCDE in accordance with the terms and conditions specified herein.

### **RECITALS**

HCDE is a local governmental entity, established to promote education in Harris County, Texas. Both HCDE and Consultant desire to set forth in writing the terms and conditions of their agreement. 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 agree as follows:

### **Article 1 Purpose**

HCDE agrees to retain Consultant and Consultant agrees to provide services to HCDE as consultant and to perform the duties and all the necessary labor and resources needed to provide the services set forth in Article 3-*Scope of Work*. Consultant shall also perform such other related services and duties as are customarily performed by a consultant in a similar position.

### **Article 2 Term**

This Contract is for services beginning \_\_\_\_\_, and ending \_\_\_\_\_ (“Term”). All Contract extensions shall be subject to the terms and conditions specified herein.

### **Article 3 Scope of Work**

Exhibit A includes a detailed scope of work that sets out the services Consultant agrees to provide.

### **Article 4 Independent Contractor Status**

It is the intention of the parties that Consultant be an independent contractor and not an employee, agent, joint venture, or partner of HCDE. Nothing in this Contract shall be interpreted or construed as creating or establishing the relationship of employer and employee between HCDE and either Consultant or any employee or agent of Consultant.

### **Article 5 Review of Progress**

Consultant will work to meet all timelines mutually established by Consultant and HCDE. HCDE reserves the right to monitor the progress of Consultant.

### **Article 6 Changes & Amendments**

During the Term of the Contract (see Article 2), HCDE and Consultant reserve the right to make changes to the work the Consultant is required to provide pursuant to this Contract. 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. All such changes shall be made in writing and agreed to by both parties.

#### **Article 7 Assignment**

Neither this Contract nor any duties or obligations under it shall be assignable by Consultant without the prior written acknowledgment and authorization of HCDE.

#### **Article 8 Compensation**

The source of funding for this contract will be from \_\_\_\_\_ (federal, state or local) funds. HCDE will pay Consultant a daily rate of \$XX.XX for a maximum of XX days in the amount not to exceed \$ X,XXX, plus usual and customary expenses including, but not limited to, hotel, meals, travel, and other business-related expenses. HCDE agrees to make payment to Consultant upon completion of the Contract and upon receipt of an invoice, along with IRS Form W-9. HCDE is Texas sales and use tax exempt and will not reimburse Consultant for any Texas sales taxes incurred by Consultant.

#### **Article 9 Conflict of Interest**

During the Term of Consultant's service to HCDE, Consultant shall not, directly or indirectly, whether for Consultant'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.

#### **Article 10 Felony Conviction Notice**

Contractor acknowledges receipt of the Felony Conviction Notice and represents to HCDE that Contractor has accurately completed, executed and delivered the Notice to HCDE.

Contractor's failure to provide such notice shall result in a material breach of this Contract. HCDE may terminate this Contract with Contractor upon determination that Contractor failed to give notice as required by this Article and Felony Conviction Notice or that Contractor misrepresented the conduct resulting in the conviction as indicated on Felony Conviction Notice.

#### **Article 11 Indemnity**

Consultant shall protect, hold harmless, and indemnify HCDE from any and all claims, assessments, and suits of law or in equity, expenses, attorneys' fees, and damages arising from Consultant's acts or omissions in connection with the services described in this Contract.

#### **Article 12 Non-Appropriation of Funds**

The Term of this Contract is a commitment of HCDE current revenue only.

#### **Article 13 Non-Exclusivity**

Nothing in this Contract may be construed to imply that Consultant has the exclusive right to provide HCDE professional services. During the Term of this Contract, HCDE reserves the right to use all available resources to procure other professional services as needed and doing so will not violate any rights of Consultant.

#### **Article 14 Performance**

Consultant agrees that Consultant is not an employee of HCDE and is solely responsible for all social security, unemployment compensation and taxes, both state and federal. Consultant further agrees that Consultant's services will be performed with reasonable care, skill, judgment, and experience and in a professional business-like manner, with no direct supervision from



HCDE. If Consultant is unable to complete the work in this manner based on the mutually agreed upon time, Consultant shall notify CASE Director in writing.

#### **Article 15 Termination**

Either party for any reason upon thirty (30) days written notice may terminate this Contract without cause. HCDE will be responsible for payment for services that have been accepted by HCDE up to the termination date.

HCDE may by written notice, terminate this Contract if Consultant has defaulted in whole or in part, refuses or fails to comply with the provisions of this Contract, fails to make progress, 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 amount owed Consultant or Consultant shall reimburse HCDE for such costs incurred by HCDE.

#### **Article 16 Notice**

Any notice provided under the Terms of this Contract by either party to the other shall be in writing and may be affected by certified mail, return receipt requested. Notice to shall be sufficient if made or addressed as to the address listed below Article 19.

Each party may change the address at which notice may be sent to that party by giving notice of such change to the other party by certified mail, return receipt requested.

#### **Article 17 Governing Law & Venue**

This Contract shall be governed by and construed in accordance with the laws of the State of Texas. The mandatory and exclusive venue for the adjudication or resolution of any dispute arising out of this Contract shall be in Harris County, Texas.

#### **Article 18 Entire Agreement**

This Contract is the sole agreement by which the above parties will abide relative to the purpose(s) of this Contract. The Contract, Exhibit A, Scope of Work, and Exhibit B represent the entire and exclusive agreement between the parties thereto and replaces in their entirety any previous agreements, written or oral.

#### **Article 19 Severability**

In the event that any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions, and the Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

#### **Article 20 Debarment and Suspension**

Pursuant to 7 C.F.R. 3017, during any period in which a person is suspended, debarred, proposed for debarment, ineligible, or voluntarily excluded from eligibility for covered transactions by any Federal department or agency, that person shall be excluded from any and all

work hereunder that is considered a covered transaction including, but not limited to, participation in any HCDE Program or purchase of any goods or services from HCDE. Generally, work that is expected to equal or exceed the Federal procurement small purchase threshold as defined in 7 C.F.R. 3017.110 (currently \$100,000) is considered a covered transaction. With respect to work hereunder that is considered a covered transaction, Contractor agrees to comply with any and all requirements of 7 C.F.R. 3017 including, but not limited to, obtaining and/or providing the certification attached hereto as Exhibit B and providing immediate written notice upon discovery of any errors in a certification previously obtained and/or provided, as necessary for such compliance. Contractor acknowledges that, with respect to debarment and suspension, Federal law may impose additional, more specific, and/or more restrictive requirements for certain work hereunder that is considered a covered transaction; Contractor agrees to comply with any and all such requirements.

#### **Article 21 Proposer/Vendor Certification Forms**

(Name of Contractor) agrees that the certifications and agreements included on the HCDE Vendor Certification Forms, attached hereto as Exhibit C and incorporated by reference in the (type of contract) for all purposes, is true and correct.

#### **Article 22 Invoices**

Consultant is required to submit original invoices to the HCDE Business Office ATTN: Accounts Payable. The invoices can be mailed through the postal service to HCDE Business Office ATTN: Accounts Payable 6300 Irvington Boulevard Houston, Texas 77022 or emailed to [accountspayable@hcde-texas.org](mailto:accountspayable@hcde-texas.org).

The invoice should include the following:

1. Date of invoice
2. Period of service (i.e. month of)
3. Invoice Number
4. Contact Information
5. Deliverables under the Contract
6. Certification of service provided through a signature by company representative

Failure to send the invoices to the Accounts Payable Office will delay payment. Contractor certifies that no work has been performed before the effective date of this Contract. Invoices submitted by Contractor for work performed prior to the effective date of the Contract may not be honored by HCDE, in HCDE's sole discretion.

In witness whereof, HCDE and Consultant have executed this Contract to be effective on the date specified in Term above:

\_\_\_\_\_  
(Printed Individual or Company Name)

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Harris County Department of Education

By: \_\_\_\_\_  
(Signature)

Jesus J. Amezcua, Ph.D., CPA., RTSBA,  
Assistant Superintendent - Business Services

Address 1: \_\_\_\_\_

Address 2: \_\_\_\_\_

Phone: \_\_\_\_\_

FAX: \_\_\_\_\_

Email: \_\_\_\_\_

6300 Irvington Blvd

Houston, TX 77022-5618

Phone: 713-696-1371

FAX: 713-696-0740

[jamezcua@hcde-texas.org](mailto:jamezcua@hcde-texas.org)

## **EXHIBIT A: SCOPE OF WORK**

## **Exhibit B**

### **Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion— Lower Tier Covered Transactions**

#### **I. Instructions for Certification**

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549 and 7 C.F.R. 1017.105. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

**II. Certification Regarding Debarment, Suspension, Ineligibility an Voluntary Exclusion—  
Lower Tier Covered Transactions**

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.  
[60 FR 33042, 33043, June 26, 1995]

---

Signature

---

Date

## **Exhibit C**

### **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, Acts, 73rd Legislature, R.S. (1993), all bidders must complete and submit with the bid the following affidavit:**

I, the undersigned vendor, do hereby acknowledge that NO sole proprietor, partner, majority shareholder of a corporation, or an owner of 10% or more of another business entity is 30 days or more delinquent in paying child support under a court order or a written repayment agreement. I understand that under this provision, a sole proprietorship, partnership, corporation or other entity in which a sole proprietor, partner, majority shareholder or a corporation, or an owner of 10% or more of another entity is 30 days or more delinquent in paying child support under a court order or a written repayment agreement is NOT eligible to bid or receive a state contract.

---

#### **REQUIRED CONTRACT PROVISIONS FOR NON-FEDERAL ENTITY CONTRACTS UNDER FEDERAL AWARDS – APPENDIX II TO 2 CFR PART 200**

---

**The following provisions are required and apply when federal funds are expended by HCDE for any contract resulting from this procurement process.**

(A) Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, 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 regulations 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 sub grantee 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 schedules, deadlines, and/or delivery dates within the time specified in the procurement solicitation, contract, and/or a purchase

order; (2) make any payments 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 if 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, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “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. 3141-3148). 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 3146-3148) 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 Copeland “Anti-Kickback” Act (40 U.S.C. 3145), 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 subrecipient 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 sub grants 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. 3701-3708). 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 compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible 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 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 purchases 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. 1251-1387), as amended—Contracts and sub grants of amounts 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- 1387). 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 (see 2 CFR 180.220) 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 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains 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 it 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 or bid 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 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 grant, 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 grant 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

---

**RECORD RETENTION REQUIREMENTS FOR CONTRACTS PAID FOR WITH FEDERAL FUNDS –  
2 CFR § 200.333**

---

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 grantees or sub grantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**CERTIFICATION OF COMPLIANCE WITH EPA REGULATIONS  
APPLICABLE TO GRANTS, SUB GRANTS, COOPERATIVE AGREEMENTS, AND CONTRACTS  
IN EXCESS OF \$100,000 OF FEDERAL FUNDS**

---

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. 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.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**CERTIFICATION OF COMPLIANCE WITH THE ENERGY POLICY AND CONSERVATION ACT**

---

When federal funds are expended by HCDE for any contract resulting from this procurement process, the vendor certifies that the vendor will be in compliance with mandatory 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, 89 Stat. 871).

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**CERTIFICATION OF COMPLIANCE WITH BUY AMERICA PROVISIONS**

---

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.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**CERTIFICATION OF NON-COLLUSION STATEMENT**

---

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.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor \_\_\_\_\_

---

**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, laws, acts, regulations, etc. as specifically noted above.**

Vendor's Name/Company Name: \_\_\_\_\_

Address, City, State, and Zip Code: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Printed Name and Title of Authorized Representative: \_\_\_\_\_

Email Address: \_\_\_\_\_

Signature of Authorized Representative: \_\_\_\_\_

Date: \_\_\_\_\_



## REQUEST FOR WRITTEN QUOTES:

NAME OF DIVISION: \_\_\_\_\_

### 1. SERVICE TO BE RENDERED

Name the service (*i.e. Teach Like a Champion (TLAC) – Blended Course*)

### 2. SUMMARY

Describe in detail the services (*i.e.. This is a semester-long blended course (online and face-to-face) for ECPA teacher interns. The number of students may range from 20 to 40.*

### 3. SCOPE OF WORK

- Describe the work (*i.e.) Provide online instruction in Moodle LMS including grading assignments, feedback to students, updating content (as needed) and other tasks associated with teaching a course, and Conduct four (4) four-hour face-to-face seminars aligned with the online portion of the course*

### 4. VENDOR QUALIFICATIONS

The service provider should provide the following items as part of their proposal for consideration:

- Resume that demonstrates prior experience aligned with the Scope of Work
- Price Quote

### 5. EVALUATION FACTORS

Evaluation Factors	Weighted Value
1. Price	Points 20
2. Reputation of Vendor and of Vendor's goods and/or services	Points 20
3. Quality of Vendor's goods and/or services ( <i>evidenced by Vendor Background Specifications</i> )	Points 35
4. Extent to which the goods and/or services meet HCDE's needs ( <i>Vendor Activities Framework</i> )	Points 5
5. Vendor's past relationship with HCDE	Points 5
6. Impact on the ability of HCDE to comply with laws and rules relating to HUBs	Points 0
7. Total long-term cost to HCDE to acquire Vendor's goods and/or services	Points 4
	Points 5

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:
  - (A) has its principal place of business in this state; or
  - (B) employs at least 500 persons in this state
9. Other (Ability to allow other local government entities to piggy-back from this contract)

**Points 2**

100 Points

## **6. CONTRACT SERVICES RESPONSE TIMELINE**

Each vendor must submit a copy of their proposal either via email \_\_\_\_\_ by \_\_\_\_\_ date) at \_\_\_\_\_(Time) CST

\*\*\*\*\*

**Please complete below and attach Resume and EICC is applicable**

**VENDOR NAME:**

**PRICE QUOTE:**

### **NOTE:**

The vendor packet is required to be on file with the department prior to the award of any proposal to include the vendor certification forms as required for federal funds (EDGAR).



## REQUEST FOR WRITTEN QUOTES FOR GOODS:

PLEASE EVALUATE EACH VENDOR USING THE EVALUATION FACTORS BELOW. FACTORS **8 & 9** DOES NOT NEED TO BE CONSIDERED. A SEPARATE EVALUATION IS REQUIRED FOR EACH VENDOR. PLEASE ATTACH THE VENDOR'S QUOTE TO THIS FORM.

NAME OF DIVISION: \_\_\_\_\_

### 1. GOODS TO BE PURCHASED

Name the good (i.e. Computers, books, etc.)

**(PLEASE NOTE THAT GOODS MUST BE COMPARABLE (I.E. A COMPUTER VERSUS A COMPUTER))**

### 2. EVALUATION FACTORS

Evaluation Factors	Maximum Weighted Value	Score
1. Price	30 Points	
2. Reputation of Vendor and of Vendor's goods and/or services	15 Points	
3. Quality of Vendor's goods and/or services ((evidenced by Vendor Background Specifications)	15 Points	
4. Extent to which the goods and/or services meet HCDE's needs (Vendor Activities Framework)	15 Points	
5. Vendor's past relationship with HCDE	15 Points	
6. Impact on the ability of HCDE to comply with laws and rules relating to HUBs	0 Points	
7. Total long-term cost to HCDE to acquire Vendor's goods and/or services	10 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: (A) has its principal place of business in this state; or (B) employs at least 500 persons in this state	0 Points	
9. Other (Ability to allow other local government entities to piggy-back from this contract)	0 Points	
	100 Points	

\*\*\*\*\*

VENDOR NAME:

PRICE QUOTE:

**NOTE:**

The vendor packet is required to be on file with the department prior to the award of any proposal to include the vendor certification forms as required for federal funds (EDGAR).





**REQUEST FOR WRITTEN QUOTES FOR GOODS:  
(RECOMMENDATION SUMMARY)**

# Justification of vendor recommendation:

**VENDOR NAME:**

**PRICE QUOTE:**

The person recommending acknowledges that he/she does not have a conflict of interest and a CIS form is not required.

Name and title of person(s) recommending: \_\_\_\_\_

Signature/Date \_\_\_\_\_



## REQUEST FOR WRITTEN QUOTES FOR SERVICES:

NAME OF DIVISION: \_\_\_\_\_

### 1. SERVICE TO BE RENDERED

Name the service (*i.e. Teach Like a Champion (TLAC) – Blended Course*)

### 2. SUMMARY

Describe in detail the services (*i.e. This is a semester-long blended course (online and face-to-face) for ECPA teacher interns. The number of students may range from 20 to 40.*)

### 3. SCOPE OF WORK

- Describe the work (*i.e. Provide online instruction in Moodle LMS including grading assignments, feedback to students, updating content (as needed) and other tasks associated with teaching a course, and conduct four (4) four-hour face-to-face seminars aligned with the online portion of the course*)

### 4. VENDOR QUALIFICATIONS

The service provider should provide the following items as part of their proposal for consideration:

- Resume that demonstrates prior experience aligned with the Scope of Work
- Price Quote

### 5. EVALUATION FACTORS

Evaluation Factors	Weighted Value
1. Price	Points 30 __
2. Reputation of Vendor and of Vendor's goods and/or services	Points 20 __
3. Quality of Vendor's goods and/or services ( <i>evidenced by Vendor Background Specifications</i> )	Points 35 __
4. Extent to which the goods and/or services meet HCDE's needs ( <i>Vendor Activities Framework</i> )	Points 5 __
5. Vendor's past relationship with HCDE	Points 5 __
6. Impact on the ability of HCDE to comply with laws and rules relating to HUBs	Points 0 __
7. Total long-term cost to HCDE to acquire Vendor's goods and/or services	Points 5 __

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:
- (A) has its principal place of business in this state; or
  - (B) employs at least 500 persons in this state

Points 0

100 Points

## 6. CONTRACT SERVICES RESPONSE TIMELINE

Each vendor must submit a copy of their proposal either via email \_\_\_\_\_ by \_\_\_\_\_(date) at \_\_\_\_\_(Time) CST

\*\*\*\*\*

**Please complete below and attach Resume and EICC if applicable**

**VENDOR NAME:**

**PRICE QUOTE:**

### **NOTE:**

The vendor packet is required to be on file with the department prior to the award of any proposal to include the vendor certification forms as required for federal funds (EDGAR).

**REQUEST FOR WRITTEN QUOTES FOR SERVICES:  
(RECOMMENDATION SUMMARY)**

# **Justification of vendor recommendation:**

**VENDOR NAME:**

**PRICE QUOTE:**

The person recommending acknowledges that is does not have a conflict of interest and a CIS form is not required.

Name and title of person(s) recommending: \_\_\_\_\_


Signature/Date \_\_\_\_\_



## HARRIS COUNTY DEPARTMENT OF EDUCATION EMPLOYEE/INDEPENDENT CONTRACTOR CLASSIFICATION CHECKLIST

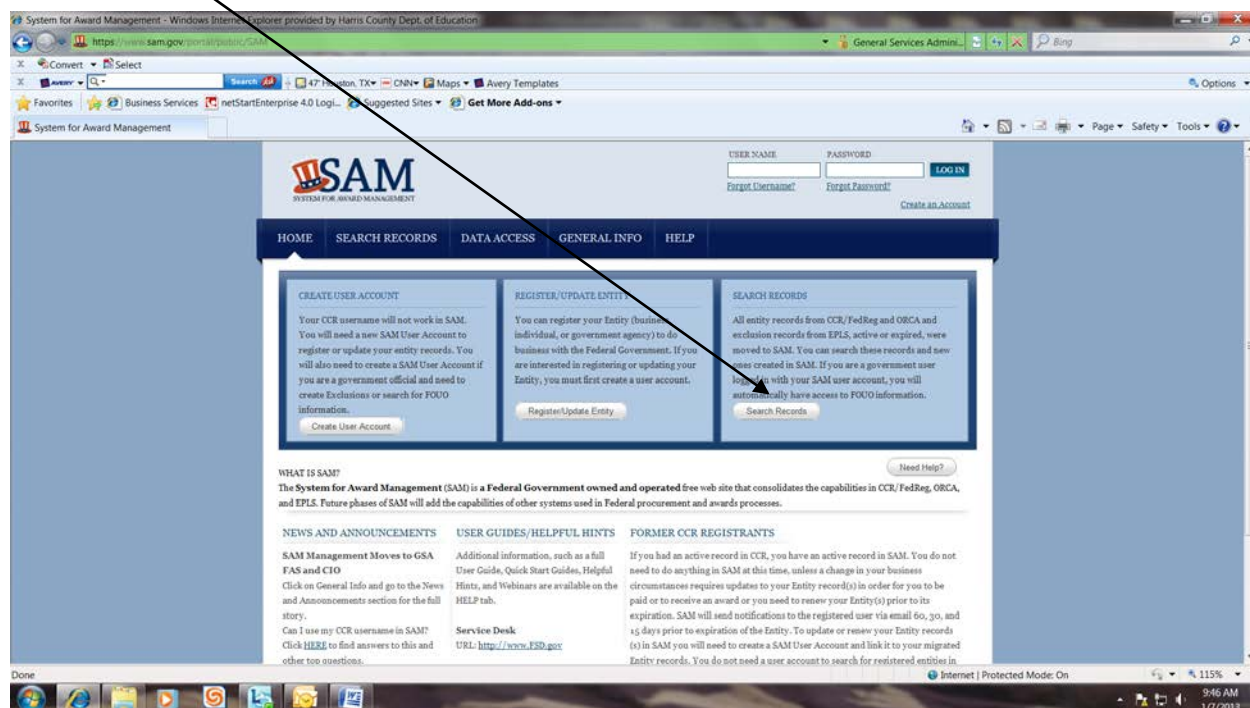
The information provided below will assist the Business Office in determining whether the individual performing the services will be classified as an independent contractor or an employee of HCDE for federal and FICA tax purposes.

SECTION I – INDIVIDUAL’S INFORMATION	
Provider Name:	
HCDE Division completing this form:	
SECTION II – MULTIPLE RELATIONSHIPS WITH HCDE	
<input type="checkbox"/> Yes <input type="checkbox"/> No	Does this individual currently work for HCDE as an employee?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Will this individual perform the same or similar services as other HCDE employees?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Has this individual been an employee of HCDE or performed the same proposed services as an employee of HCDE in the past?
<ul style="list-style-type: none"><li>• If the answer is <b>YES</b> to any of these questions this individual is <b>NOT</b> eligible for “Independent Contractor” status; skip to Section IV.</li><li>• If the answer is <b>NO</b> to any of these questions proceed to Section III.</li></ul>	
SECTION III – CLASSIFICATION GUIDELINES	
A. Conference speakers and presenters hired to perform services for HCDE are presumed to be “Independent Contractors” (vendors) of HCDE.	
B. Consultants hired to perform professional services (intellectual in nature as outlined in the Professional Services Act) are considered “Independent Contractors” IF the following are met:	
<input type="checkbox"/> Yes <input type="checkbox"/> No	Will the individual provide the same or similar services he/she offers to other entities or to the general public as part of his/her trade of business?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Will the individual handle the services independently and will HCDE rely on that individual’s expertise?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Will the individual set his/her own number of hours and/or workdays required to work as opposed to HCDE setting the work schedule?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Will the individual NOT supervise and evaluate staff during the course of his/her contract?
<ul style="list-style-type: none"><li>• If the answer is <b>YES</b> to any of these questions this individual <b>MEETS</b> the “Independent Contractor” criteria and can be classified as an <u>Independent Contractor</u>.</li><li>• If the answer is <b>NO</b> to any of these questions the individual <b>DOES NOT MEET</b> the “Independent Contractor” criteria and must be classified as an <u>employee</u>.</li></ul>	
SECTION IV – DETERMINATION	
This individual is to be classified as (check one): <input type="checkbox"/> Independent Contractor <input type="checkbox"/> Employee	
Reason(s) for Determination:	
SECTION V – REQUIRED SIGNATURES	
Budget Manager:	Date:
Submit to Purchasing Division along with Contract Processing Form and Independent Contractor Agreement	

	<p align="center"><b>PROCUREMENT PROCEDURES</b></p> <p align="center">Harris County Department of Education</p>	<p>Reference: <i>EDGAR</i> <i>2 CFR &amp; 200</i></p>
<p><b>DATE DEVELOPED: 6 -19-2015                      REVISED DATE: 6-19-2015</b></p>		
<p><b>SUBJECT: EXCLUDED PARTIES LIST SYSTEM (EPLS) PROCEDURES</b></p>		

## CREATING VENDORS ON EPLS

1. Access the EPLS system by going to the following website and following these steps:
  - a. Click on “www. <https://www.sam.gov/portal/public/SAM>
  - b. Click on Search Records



- c. Enter your name of the vendor AS IT APPEARS AS A VENDOR on the vendor master list.

The screenshot shows the SAM System for Award Management search page. The browser address bar displays the URL: [https://www.sam.gov/portal/public/SAM/portal/componentId=70288435-6116-4111-bf66-2554735235a0/portalType=action&interactionState=IRPLN\\_QOABKxGASBt&f](https://www.sam.gov/portal/public/SAM/portal/componentId=70288435-6116-4111-bf66-2554735235a0/portalType=action&interactionState=IRPLN_QOABKxGASBt&f). The page features a navigation bar with links: HOME, SEARCH RECORDS, DATA ACCESS, GENERAL INFO, and HELP. Below the navigation bar, the "Search Records" section provides instructions on how to search by DUNS number, CAGE code, or business name. It also includes a login section for government employees. A search box is present with the placeholder text "Enter your specific search term" and a "SEARCH" button. Below the search box, it says "(Examples of search terms include the entity's DUNS number, name, etc.)". At the bottom of the page, there is a note to all users stating that this is a Federal Government computer system and that its use constitutes consent to monitoring at all times. The footer also includes the SAM version (1.0), IBM version (v1.513.20121222-2220), and the WWW1 logo.

- f. Once you press enter to submit the search, the following result will be provided by the website. The results must show no results. If results are returned and the vendor is debarred, a copy must be provided to the CFO and action must be taken not to conduct business with a debarred vendor.

The screenshot shows the SAM System for Award Management search results page. The browser address bar displays the URL: [https://www.sam.gov/portal/public/SAM/portal/componentId=70288435-6116-4111-bf66-2554735235a0/portalType=action&navigationState=IRPLN\\_QOABKxGASBt&f](https://www.sam.gov/portal/public/SAM/portal/componentId=70288435-6116-4111-bf66-2554735235a0/portalType=action&navigationState=IRPLN_QOABKxGASBt&f). The page features a navigation bar with links: HOME, SEARCH RECORDS, DATA ACCESS, GENERAL INFO, and HELP. Below the navigation bar, the "Search Results" section provides instructions on how to refine the search. It also includes a link to an important message regarding exclusion searches. The current search terms are displayed as "1551\* sbet". Below the search terms, there is a "Clear Search" button. The results section shows "Result page 0 of 0" and "No records found for current search." Below the results section, there is a "FILTER RESULTS" section with two filters: "By Record Status" (Active, Inactive) and "By Functional Area" (Entity Management, Performance Information). There is an "Apply Filters" button. At the bottom of the page, there is a note stating that filters are case sensitive. The footer also includes the SAM version (1.0), IBM version (v1.513.20121222-2220), and the WWW1 logo.

g. EPLS Procedure:

Business Office:

The staff will check the EPLS for the following vendors:

1. Each month for all purchasing contracts above \$10,000 after the Disbursement Report is issued. All new vendors identified in the Disbursement Report must be checked.
2. A print screen of the verification of EPLS will be maintained on file in PDF in the Business Services Internal Shared Drive.

All Federal Programs:

The staff will check the EPLS for the following vendors:

1. For each contract paid by federal funds, the federal program staff will check the EPLS System.
2. A print screen of the verification of EPLS will be maintained on file in PDF in the Business Services Internal Shared Drive.





## **CERTIFICATIONS REQUIRED AS OF SEPTEMBER 1, 2017**

---

### **CERTIFICATION REGARDING TERRORIST ORGANIZATIONS & BOYCOTTING OF ISRAEL**

---

Vendor hereby certifies that it is not a company identified on the Texas Comptroller's list of companies known to have contracts with, or provide supplies or services to, a foreign organization designated as a Foreign Terrorist Organization by the U.S. Secretary of State. Vendor further certifies and verifies that neither Vendor, nor any affiliate, subsidiary, or parent company of Vendor, if any (the "Vendor Companies"), boycotts Israel, and Vendor agrees that Vendor and Vendor Companies will not boycott Israel during the term of this Agreement. For purposes of this Agreement, the term "boycott" shall mean and include terminating business activities or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory.

\_\_\_\_\_ Initials of Authorized Representative of Vendor

---

### **CERTIFICATION REGARDING EMPLOYMENT ASSISTANCE PROHIBITED**

---

Vendor certifies and agrees that it shall not assist an employee, contractor, or agent of HCDE or of any other school district in obtaining a new job if the Vendor knows, or has probable cause to believe, that the individual engaged in sexual misconduct regarding a minor or student in violation of the law. Routine transmission of an administrative or personnel file does not violate this prohibition.

\_\_\_\_\_ Initials of Authorized Representative of Vendor

Vendor's Name/Company Name: \_\_\_\_\_

Address, City, State, and Zip Code: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Printed Name and Title of Authorized Representative: \_\_\_\_\_

Email Address: \_\_\_\_\_

Signature of Authorized Representative: \_\_\_\_\_

Date: \_\_\_\_\_ Federal Tax ID # \_\_\_\_\_

#### **HCDE PURCHASING OFFICE (INTERNAL REVIEW):**

Comptroller List was reviewed and The Vendor ( IS ) ( IS NOT ) on the lists (Circle one).

Verified by: (Name and Date): \_\_\_\_\_



*The Right Resources. Right Now.*

Harris County Department of Education  
6300 Irvington Blvd., Houston, Texas 77022-5618

RFP #00/000\_\_

Request for Proposals  
for **INSERT**

**Submittal Deadline and Proposal Opening Deadline:**

**DATE, at 2 p.m., Central Time**

*Proposals received after the date and time stated above will not be considered.*

Questions regarding this RFP must be submitted via email or fax no later than **five (5) business days** prior to the submittal deadline date. All questions and answers will be posted online at <http://www.choicepartners.org/pages/current-rfps>

## TABLE OF CONTENTS

---

1.0	Notice of Intent
2.0	Introduction to Choice Partners Cooperative
3.0	Instructions to Vendors
4.0	Evaluation and Award of Proposal(s)
5.0	Contract Terms and Conditions
6.0	Scope of Proposal
7.0	Specifications
8.0	Pricing/Delivery Information
9.0	Vendor Questionnaire
10.0	Attachments

## 1.0 NOTICE OF INTENT

Contracts awarded pursuant to this RFP comply with the Education Department General Administrative Regulations (EDGAR), 2 C.F.R. §§ 200.318-326. It is the intent of Harris County Department of Education (HCDE) to award one or more contract(s) as a result of this RFP for use by HCDE/CP and/or CP members. Product(s) and/or services considered for award shall equal or exceed a minimum quality level of industry standard(s) as defined within this RFP, including **Section 6.0 Scope of Proposal**, and shall comply with all applicable federal, state and local technical, environmental, and performance standards and specifications.

Further, it is the intent of HCDE/CP to allow CP members to “piggyback” onto any existing contract between HCDE and Vendor entered into pursuant to this RFP, as contemplated in United States Department of Agriculture Memorandum SP35-2012, Procuring Services of Purchasing Cooperatives, Group Purchasing Organizations, Group Buying Organizations, etc., June 12, 2012 (“SP 35-2012”). Accordingly, pursuant to HCDE’s membership agreements with CP members (as permitted under the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and Chapter 271, Subchapter F of the Texas Local Government Code, and similar statutes in other states), CP members are authorized to enter into separate and independent contracts with Vendor that employ the same negotiated terms and conditions contained in an existing contract(s) between HCDE and Vendor. Further, it is the intent of HCDE/CP to comply with the most restrictive federal (EDGAR) or state (FARSG) rule or regulation, and HCDE/CP intends to conduct a cost or price analysis in connection with every procurement action using federal funds.

- 1.1 **The initial base term of the prospective contract is a period of one calendar year, and HCDE/CP may elect to extend any contract awarded pursuant to this RFP for up to three additional one-year renewal terms.**
- 1.2 In this RFP and in the Contract, the following terms shall mean as follows:
  - 1.2.1 **“HCDE”** means the Harris County Department of Education, a county school district established under the laws of the State of Texas; 6300 Irvington Blvd., Houston, Texas 77022.
  - 1.2.2 **“CP”** means Choice Partners cooperative, a national cooperative purchasing program and division of HCDE. HCDE/CP is a local governmental agency, as that term is used in SP 35-2012.
  - 1.2.3 **“CP member(s)”** means the non-profit entities, public and private schools (including independent school districts and charter schools), education service centers, colleges, universities, municipalities, counties, political subdivisions, and other governmental entities and agencies throughout the United States that have followed local governing authority allowing them to utilize contracting vehicles procured and administered by HCDE, pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and Chapter 271, Subchapter F of the Texas Local Government Code, and similar statutes in other states.
  - 1.2.4 **“Vendor(s)”** means the proposer(s) responding to this RFP and vendor(s) to whom a contract has been awarded as a result of this RFP by HCDE. A responsible vendor is a vendor who has adequate financial resources (or the ability to obtain such resources), can comply with the delivery requirements, and is a qualified and established firm regularly engaged in the type of business that provides the product(s) /service(s) listed herein.
  - 1.2.5 **“Contract”** means the contract terms and conditions in **Section 5.0 Contract Terms and Conditions**, as further defined in the Entire Agreement provision of Section 5.0. A contract is exclusively between HCDE/CP and Vendor. All existing contracts shall be made available to CP members to review and copy. Further, all records, reports, and other documents related to HCDE/CP’s competitive procurement of existing contracts shall also be made available to CP members to review and copy.
  - 1.2.6 **“Supplemental Contract”** means a separate, supplemental contract entered into between a CP member and the Vendor, which utilizes the negotiated terms and conditions contained in the existing competitively-procured contract(s) between HCDE/CP and Vendor. Supplemental Contracts may further define the level of service and/or product requirements over and above the minimum defined in the Contract and the RFP, including, without limitation, invoice requirements, ordering requirements, on-campus service, specialized delivery, discounted pricing, etc. Supplemental Contracts may be a Purchase Order issued by a CP member.

Supplemental Contracts are exclusively between a CP member and Vendor and are executed pursuant to the piggyback method delineated in SP35-2012. Vendor shall immediately notify HCDE/CP of all Supplemental Contracts entered into with a CP member.

- 1.2.7 **“Best Value”** means the method by which a contract, if any, is awarded, in accordance with applicable laws, rules, and regulations. Best Value includes multiple parameters, including experience, references, quality of the Vendor’s product(s)/service(s), and price, as detailed in **Section 4.0 Evaluation and Award**.
- 1.2.8 **“HCDE/CP Administrative Fee” or “HCDE/CP Fee”** means the fee paid by Vendors to HCDE/CP for the limited purpose of funding the total administrative costs of the HCDE/CP program. HCDE/CP will invoice the Vendor for the HCDE/CP Administrative Fee of 2 percent. The HCDE/CP Fee must be included in the Vendor’s price submitted in its proposal in response to this RFP. All rebates, discounts, and other applicable credits from the Vendor resulting from Supplemental Contract(s) shall accrue exclusively to CP members.
- 1.2.9 **“Purchase Order” or “PO”** means the agreed-upon purchase order between HCDE’s or the CP member and the Vendor. Special terms and conditions agreed to by the Vendor and HCDE/CP or the CP member may be added as addendums to the PO, including such items as requirements concerning certificates of insurance, bonding, and small or disadvantaged business goals.
- 1.2.10 **“Premium Hours”** means those hours not included in Regular Hours or federal holidays. Premium Hours must be approved by HCDE/CP or the CP member for each Purchase Order.
- 1.2.11 **“Regular Hours”** means the hours between 7 a.m. and 6 p.m. Monday thru Friday, excluding the following holidays: Presidents’ Day, Easter, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and New Year’s Day.

### 1.3 Time Table

HCDE/CP anticipates following the time table listed below for this job. The table below is only an estimate and may vary.

TIME TABLE		
Item	Activity	Date
1	RFP Advertised - 1 <sup>st</sup> run	Friday, February 12, 2016
2	RFP Advertised - 2 <sup>nd</sup> run	Monday, February 15, 2016
3	Pre-Proposal Meeting	Wednesday, February 17, 2016 @ 10 a.m. (6005 Westview Drive, Houston TX 77055)
4	Proposals Due	Tuesday, March 8, 2016 @ 2 p.m. CST
5	Award Date	Tuesday, April 9, 2016

## 2.0 INTRODUCTION TO CHOICE PARTNERS COOPERATIVE

### 2.1. Description of CP members

- 2.1.1. Contract(s), if any, awarded as a result of this RFP will be available for use by HCDE/CP. Additionally, contract(s) awarded as a result of this RFP will also be available for use by CP members pursuant to the piggyback method delineated in SP 35-2012. HCDE/CP, a local governmental entity, currently has more than **1,100** members and keeps growing every day. Many CP members constitute “school food authorities,” as that term is used in SP 35-2012.

Contract(s), if any, awarded as a result of this RFP will be available to CP members to review and copy on an “as needed” basis from a list of contracts that have been competitively procured and awarded to Vendors based on the selection criteria set forth in Section 4.0 Evaluation and Award. All related records, reports, and documents related to the competitive procurement of any contract(s) awarded as a result of this RFP will also be available to CP members to review and copy on an “as needed” basis.

- 2.1.2. By allowing eligible entities to piggyback onto existing contract(s) between HCDE/CP and Vendors, those entities can accomplish the legally-required competition for contracts of commonly purchased products and services, thereby saving the individual entity the cost of going through the procurement process. Vendors benefit as well by having a multi-year contract and by saving the time and expense of going through the procurement process for each individual participating governmental entity. The specific scope of work for each Supplemental Contract/Purchase Order shall be determined in advance and in writing between the CP member and the Vendor.
- 2.1.3. Pursuant to TEX. GOV'T. CODE Chapter 791, the Interlocal Cooperation Act, and similar statutes of other states, as well as directives issued by the Texas Department of Agriculture and the United States Department of Agriculture, HCDE/CP and CP members participate in an Interlocal Contract to provide governmental functions and services, including procurement services, which permits CP members to make purchases using contracts procured by HCDE.<sup>1</sup> **A local government that purchases products and services under the Interlocal Cooperation Act satisfies the requirement of the local government to seek competitive bids for the purchase of the products and services.** TEX. GOV'T. CODE § 791.025(c). An interlocal contract between a governmental entity and a purchasing cooperative may not be used to purchase engineering or architectural services. TEX. GOV'T. CODE § 791.011(h).

<sup>1</sup> See, e.g., TEX. EDUC. CODE § 44.031(a)(4) (“all school district contracts for the purchase of goods and services, except contracts for the purchase of produce or vehicle fuel, valued at \$50,000 or more in the aggregate for each 12-month period shall be made by the method...that provides the best value for the district[, including] an interlocal contract”); TEX. EDUC. CODE § 51.9335(a)(4) (each institution of higher education, as that term is defined by Tex. Educ. Code § 61.003, including each public junior college to the extent possible, “may acquire goods or services by the method that provides the best value to the institution, including... a group purchasing program.”); TEX. EDUC. CODE § 73.115(a)(4) (University of Texas at Houston “may acquire goods or services by the method that provides the best value to the institution, including... a group purchasing program.”); TEX. EDUC. CODE § 74.008(a)(4) (University of Texas Medical Branch at Galveston “may acquire goods or services by the method that provides the best value to the medical branch, including...a group purchasing program.”); TEX. LOCAL GOV'T. CODE Chapter 271 (Purchasing and Contracting Authority of Municipalities, Counties, and Certain Other Local Governments); TEX. LOCAL GOV'T. CODE Chapter 262 (Purchasing and Contracting Authority of Counties); 2 C.F.R. § 200.318(e) General Procurement Standards (“To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the non-federal entity is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.”); Texas Department of Agriculture, *Participation on Purchasing Cooperatives*, May 9, 2014, Angela Oligie; United States Department of Agriculture Memorandum SP35-2012, *Procuring Services of Purchasing Cooperatives, Group Purchasing Organizations, Group Buying Organizations, etc.*, June 12, 2012.

#### 2.1.4. **Contracts Involving Federal Funds**

Because at the time of procurement, HCDE/CP is unable to determine which of its procurements/contracts will be used by CP members using federal funds, HCDE/CP intends to competitively procure each and every contract awarded by HCDE/CP under Section 44.031 of the Texas Education Code and intends to comply with EDGAR for every procurement action. To comply with EDGAR, HCDE/CP will make an independent estimate of the value of goods or services in the current market before receiving bids or proposals. After HCDE/CP receives bids and proposals but before awarding a contract, HCDE/CP will also conduct a price or cost analysis and document its findings. For contracts at or above \$150,000, CP members must verify that HCDE/CP fulfilled its requirement to conduct a cost or price analysis in order to benefit from the ability to purchase goods and services from CP directly without the need for additional procurement activities or documentation. HCDE/CP will provide its Independent Estimate Determination Form and Determination of Cost or Price Reasonableness Form to a CP member upon request, but HCDE/CP recommends that when circumstances necessitate separate evaluation of lump-sum pricing, CP members also conduct an independent evaluation of cost or price reasonableness tailored to the CP member's specific purchases so that the CP member can independently determine the reasonableness of the cost/price of the particular purchase. Stated differently, if the CP member's verification of CP's compliance with EDGAR reveals that the lump-sum price includes goods or services for which CP could not have performed a cost or price analysis, the Choice member should conduct an independent cost or price analysis.<sup>2</sup>

#### 2.2. **Financing of HCDE/CP**

- 2.2.1. HCDE/CP does not charge membership fees to CP members.
- 2.2.2. The total cost of the HCDE/CP program is funded through the HCDE/CP Administrative Fee paid to HCDE/CP by Vendors. The HCDE/CP Fee is based on a percentage of vendor sales, less special insurance and required bonding, if applicable.
- 2.2.3. HCDE/CP will provide limited oversight in assisting both CP members and Vendors in marketing to CP members, training (education), and provide, at a minimum, an annual review of each Vendor. This service will be paid for out of the HCDE/CP Fee. HCDE/CP will not market or sell directly for Vendors.
- 2.2.4. All rebates, discounts, and other applicable credits that are granted by Vendors as a result of Supplemental Contracts shall accrue exclusively to CP member(s).
- 2.2.5. **Vendor expressly agrees that HCDE/CP may disclose Vendor's proposal, including, but not limited to, pricing information, to other governmental entities.**

#### 2.3. **HCDE/CP Procedures**

- 2.3.1. Contracts are awarded through fair and open competition in compliance with applicable procurement rules and regulations.
- 2.3.2. The CP member sends a proposal request to the Vendor.
- 2.3.3. The Vendor prepares and sends to the CP member its proposal. The CP member conducts an evaluation of cost or price reasonableness, if the CP member is using \$150,000 or more of federal funds and an independent cost/price evaluation is necessary.
- 2.3.4. The Vendor and the CP member agree on a Purchase Order. Purchase Orders/Supplemental Contracts are reported and sent by individual CP members to the Vendor and to HCDE/CP, where they are logged and filed.
- 2.3.5. The Vendor delivers product(s)/service(s) directly to the CP member and then invoices the CP member.
- 2.3.6. The Vendor receives payment directly from CP member.
- 2.3.7. The Vendor reports the administrative fee to HCDE/CP and pays the fee to HCDE/CP.

---

<sup>2</sup> See *News from the Div. of Grants Admin.: Procurement Question Added to EDGAR FAQ Doc.*, Texas Educ. Agency (July 2, 2015); *New EDGAR Regs. Frequently Asked Questions: Preliminary Guidance Applicable to all Federally Funded Grant Programs Administered by the Texas Educ. Agency* (2014); 2 C.F.R. § 323(a) (cost or price analysis requirement).

### 3.0 INSTRUCTIONS TO VENDORS

#### 3.1. Proposal Response Format

To qualify for evaluation, a proposal must have been submitted on time and must materially satisfy all mandatory requirements identified in this RFP. Vendors must follow the format instructions detailed below in preparing and submitting their proposals.

##### 3.1.1 Required Format

Vendors shall submit proposals online in the HCDE/CP eBid system at the following address: [http://www.choicepartners.org/html/bidder\\_info.php](http://www.choicepartners.org/html/bidder_info.php). The Vendor is responsible for ensuring that HCDE/CP has the appropriate company name, authorized representatives, and contact information on file for the purpose of receiving notices, changes, addenda or other critical information.

3.1.2 The following items must be included in the **Response Attachment** section of the eBid System. Failure to include these items may result in non-award.

- 1) Completed 9.0 Vendor Questionnaire
- 2) Completed 10.0 Attachment Packet
- 3) Pricing; Electronic Catalog/Price Lists
- 4) Insurance Coverage Certification
- 5) Vendor's logo in JPEG format
- 6) Marketing Plan
- 7) Link to Vendor's website
- 8) Any applicable certificates (i.e., HUB, SWBE, licenses, etc.)

##### 3.1.3 Proposal Response Location

Proposals shall be received no later than the submittal day and time deadline in the HCDE/CP eBid System.

##### 3.1.4 Submission of Proposals

HCDE/CP will only accept bids and proposals submitted online. Faxed or electronically transmitted proposals will not be accepted. Deviations from any terms, conditions and/or specifications shall be conspicuously noted in writing by the Vendor and shall be included with the proposal. Withdrawal of proposals will not be allowed for a period of 180 days following the opening. Withdrawal of proposals prior to the submission deadline is permitted. **Copyrighted proposals are unacceptable and may be disqualified.**

##### 3.1.5 HCDE/CP Reservations

HCDE/CP reserves the right to:

- a) Cancel this solicitation in whole or in part, at the sole discretion of HCDE/CP.
- b) Accept, reject, or negotiate modifications in any terms of the Vendor's proposal or any parts thereof.
- c) Conduct oral interviews/discussions or presentations necessary to select the best value Vendor and/or to obtain competitive pricing.
- d) Reject and/or disqualify any or all proposals received, to award contracts for individual products or services as may appear advantageous, and to negotiate separately in any manner necessary to serve the best interest of HCDE/CP and/or CP members.
- e) Waive any formalities, technicalities, or other defects if deemed in the best interest of HCDE/CP and/or CP members; Request clarification and/or correction of Vendor(s) for the purpose of eliminating minor errors, clerical errors, and/or non-substantive irregularities.
- f) Be the sole judge of quality and equality.
- g) Award one or more contracts, in part or in whole, to a single or to multiple Vendors, in HCDE/CP sole discretion.
- h) Make all decisions regarding this RFP, including, without limitation, the right to decide whether a proposal substantially complies with the requirements of this RFP.

##### 3.1.6 Financial Responsibility

HCDE/CP assumes no financial responsibility for any costs incurred by Vendors in developing and submitting a proposal or any amendments or addenda, participating in pre-proposal meetings, participating in any



negotiation sessions or discussions, or any other costs incurred by Vendors pursuant to this RFP.

3.1.7 **Compliance with Specifications and Contract**

Vendors are requested to submit a proposal offering their total line of available products and services that are commonly purchased by governmental entities, school districts, and other public, not-for-profit agencies and organizations. Proposals shall be deemed responsive if they comply with all material and administrative aspects of this RFP. Vendors are required to respond to all requests identified in this RFP and indicate their acceptance or objection to the terms of the RFP and the Contract terms in section 5 Terms and Conditions. Any exceptions to the terms and conditions in the RFP or the Contract must be clearly indicated in the Vendor's submitted proposal. Deviations or exceptions stipulated in a Vendor's response may result in disqualification. Any language to the effect that the Vendor does not consider this RFP to be part of a contractual obligation may result in the Vendor's proposal being disqualified. Each Vendor, by making its proposal, represents that the Vendor has read and understands the RFP and the Contract.

## 4.0 EVALUATION AND AWARD

---

### 4.1. Award of Contract

In accordance with applicable laws, rules, and regulations for public procurement, award(s) will be made to the responsible Vendor(s) whose proposal(s) is/are determined after evaluation by HCDE/CP to be the best value to HCDE/CP and to CP members. To qualify for evaluation, a proposal must have been submitted on time and must materially satisfy all mandatory requirements identified in this document.

### 4.2. Competitive Range

It may be necessary for HCDE/CP to establish a competitive range of acceptable proposals as part of the evaluation process. Proposals not in the competitive range are unacceptable and will not receive further award consideration.

### 4.3. Conflict of Interest – EDGAR

In accordance with federal EDGAR requirements, 2 CFR § 318(c)(1), no employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which 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 considered for a contract.

The officers, employees, and agents of HCDE may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, through HCDE's written procedures, HCDE has set a de minimis amount of less than \$50 per year for items that are unsolicited and of minimal value and promotional items.

Violations of this standard by an employee will be reported to the Superintendent's Office and addressed through HCDE's personnel policies. Violations of this standard by an officer or the Superintendent shall be addressed to the **Board President and addressed through HCDE Board policies.**

### 4.4. Deviations and Exceptions to Requirements

Deviations or exceptions stipulated in a Vendor's response may result in disqualification. Any language to the effect that the Vendor does not consider this RFP to be part of a contractual obligation may result in the Vendor's proposal being disqualified.

### 4.5. Clarification and/or Discussions

HCDE/CP may request clarification from Vendor(s) for the purpose of eliminating minor errors, clerical errors, and/or non-substantive irregularities. Clarification does not give a Vendor the opportunity to revise, change, or modify its proposal in any way except to the extent of correction of the error. Discussion between HCDE/CP and Vendor can also take place after the initial receipt of proposals. HCDE/CP reserves the right to conduct discussions with all, some, or none of the Vendor submitting proposals. HCDE/CP will not assist the Vendor in the revision or modification of its proposal, nor will HCDE/CP assist the Vendor in bringing its proposal to the same level of other proposals received by HCDE/CP. Negotiations or discussions, if any, will not consist of a back-and-forth exchange resulting in contract, but rather will seek clarification or obtain equivalent elements.

Questions related to the RFP can be submitted online at <http://www.choicepartners.org/pages/current-rfps> no later than five (5) business days prior to the submittal deadline date. All submitted questions and answers will be listed online. Questions will not be answered verbally or by phone.

### 4.6. No Guarantee of Quantities

HCDE/CP makes no guarantee or commitment of any kind concerning quantities that will actually be purchased under this RFP and the resulting contract, if any. HCDE/CP makes no guarantee or commitment of any kind regarding usage of any contracts resulting from this RFP.

4.8. **Minority and Women's Business Enterprise (MWBE), Historically Under-utilized Business (HUB) and Small Business Enterprise (SBE) Participation**

HCDE/CP encourages the use of HUB, MWBE, and SBE both as prime and subcontractors. However, these entities must meet the same minimum standards and requirements as the prime contractor. It will be the responsibility of the prime contractor to pre-qualify any subcontractors offered as HUB, MWBE and SBE participants. Some CP members have specific goals for subcontracting requirements and will require that a plan be attached to meet their goals. The Vendor shall also indicate on their submitted proposals whether or not they are a HUB, MWBE, or SBE vendor and with whom they are certified, e.g., State, City, Federal, and attach a copy of the certificate(s) under "Response Attachments" section of the eBid system.

When federal funds are expended by HCDE or any CP member, Vendor is required to take all affirmative steps set forth in 2 CFR 200.321 to solicit and reach out to small, minority and women owned firms for any subcontracting opportunities, including:

- (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; and
- (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

4.9. **Formation of Contract (Execution of Offer)**

A response to this RFP is an offer to contract with HCDE/CP based upon the terms, conditions, scope of work, and specifications contained in this RFP. An RFP does not become a contract unless and until it is accepted by HCDE/CP after approval by the HCDE Board of Trustees. A contract is formed when either HCDE's Superintendent or Assistant Superintendent for Business Support Services signs the Signature Form. The Vendor must submit a signed Signature Form, thus eliminating the need for the formal signing of a separate contract.

4.10. **Multiple Awards**

HCDE/CP reserves the right to award contracts to multiple vendors. The decision to award multiple contracts, award only one contract, or to make no awards rests solely with HCDE/CP. HCDE/CP may make multiple awards; this fact should be taken into consideration by each Vendor.

4.11. **Non-Exclusive Contract**

Any contract resulting from this RFP is non-exclusive and shall be awarded with the understanding and Contract that it is for the sole convenience of HCDE/CP and CP members. HCDE/CP and CP members are free to have multiple contracts for the awarded products and/or services and may initiate other procurement solicitations or procurement activity with other suppliers at any time, at HCDE's or CP members' sole discretion.

4.12. **Disqualification**

A Vendor may be disqualified before or after the proposals are opened upon evidence of collusion with the intent to defraud or evidence of intent to perform other illegal activities for the purpose of obtaining an unfair competitive advantage. A Vendor may also be disqualified before or after the proposals are opened in the event Vendor is out of compliance with an existing contract with HCDE/CP.

4.13. **Environmental Initiatives**

HCDE/CP is committed to reducing waste and promoting energy conservation. Toward that end, Vendors responding to this solicitation are encouraged to provide their company's environmental policy and green initiative.

4.14. **Interpretation**

This solicitation represents the basis for any award and supersedes all prior offers, negotiations, exceptions and understandings (whether orally or in writing). Submitted proposals should be self-explanatory and should not require any clarification or additional information.

4.15. **No Return of Proposals**

Once submitted, HCDE/CP will not return proposals to Vendor.

4.16. **Non-Collusion Statement**

Vendors are required to certify a **Non-Collusion Statement**. (See Section 10.0 Attachments) Vendors are required to state the party submitting a proposal or bid, that such proposal or bid is genuine and not collusive or sham; that Vendor has not colluded, conspired, connived or agreed, directly or indirectly, with an entity or person, to put in a sham proposal or bid or to refrain from proposing, and has not in any manner, directly or indirectly, sought by Contract or collusion, or communication or conference, with any person, to fix the proposed price or of any other vendor, or to fix any overhead, profit or cost element of said proposed price, or of that of any other vendor, or to secure any advantage against HCDE/CP or any person interested in the proposed contract, and that all statements in said proposal are true.

4.17. **Preferences**

HCDE/CP may apply applicable preferences for Texas resident Vendors in the event of a tie bid. Preferences must be explicitly claimed by Vendor and may not be applicable in procurements and/or contracts involving federal funds unless the procurement and/or contract involves unprocessed locally grown or locally raised agricultural products for use by HCDE/CP in a Child Nutrition Program. See TEXAS GOV'T. CODE §2252.001-.004; 2 C.F.R. § 200.319.

4.18. **Responsible Vendor**

HCDE/CP may only award contracts to Responsible Vendor(s) who possess the ability to perform successfully under the terms and conditions of a proposed procurement contract. A Responsible Vendor is a vendor who has adequate financial resources (or the ability to obtain such resources), can comply with the delivery requirements, and is a qualified and established firm regularly engaged in the type of business that provides the items listed herein. When determining if a vendor is responsible, HCDE/CP will consider the proposer's integrity, compliance with public policy, record of past performance, and financial and technical resources.

4.19. **Responsive Proposal**

Proposals shall be deemed responsive if they comply with all material and administrative aspects of this RFP.

4.20. **Similar Products or Materials**

Whenever product(s) and/or material(s) are referred by HCDE/CP in this solicitation by describing a proprietary product or by using the name of a manufacturer or brand name, the term "or equal" if not inserted shall be implied, as applicable. The specified product(s) and/or material(s) shall be understood as indicating type, function, minimum standard of design, efficiency and quality desired and shall not be construed as to exclude other manufactured products or comparable quality, design and efficiency, as applicable.

4.23. **Appeal/Protest Process**

Any Vendor who submitted a proposal may appeal HCDE's award, if the appeal is based on deviations from laws, rules, regulations, or HCDE Board policies. HCDE Board Policy GF (Local) applies to any Vendor wishing to appeal a proposal and/or award of a contract. In accordance with Policy GF (Local), a Vendor shall submit a complaint/appeal form by hand-delivery, fax, or U.S. mail, to HCDE's Director of Choice Partners. Complaints/appeals must be received by the close of business on or before the 15<sup>th</sup> HCDE business day after award of the contract. In the event Vendor is unsure about the award of the contract, it is the Vendor's responsibility to contact Choice Partners on the next business day after the award is announced and verify details concerning the award.

4.24 **Evaluation of Proposals**

A committee of HCDE/CP employees and/or CP members will review and evaluate proposals and make a recommendation to the HCDE Board of Trustees. HCDE/CP will base a recommendation for contract award on the following factors:

<b>Evaluation Factors</b>	<b>Weighted Value</b>
(1) Price	40
<ul style="list-style-type: none"> <li>Overall Cost of Program</li> <li>Pricing as determined by the proposal submitted</li> <li>Pricing may also be based upon usage and coverage</li> </ul>	
(2) Vendor's experience and reputation	20
<ul style="list-style-type: none"> <li>References for local governmental entities and with a purchasing cooperative program</li> <li>Local government agencies within the past 5 years</li> <li>Other projects completed within the past 10 years</li> </ul>	
(3) Quality of Vendor's products/services and extent to which the products/services meet HCDE/CP and CP members' needs:	25
<ul style="list-style-type: none"> <li>Project Management</li> <li>Infrastructure Solutions</li> <li>Quality of Vendor's Products/Service</li> <li>Demonstrated Ability to Perform</li> </ul>	
(4) Impact on the ability of CP members to comply with laws and rules relating to HUB/MWBE/SBE	0
(5) Whether Vendor's financial capability is appropriate to the size and scope of the project and the total long-term cost to HCDE/CP and CP members to acquire the products/services	5
(6) 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:	0
(A) has its principal place of business in this state; or (B) employs at least 500 persons in this state <sup>3</sup>	
(7) Vendor's past relationship with HCDE/CP and/or CP member	5
(8) Marketing Plan	5
<b>TOTAL POSSIBLE POINTS:</b>	<b>100</b>

**Commented [A1]:** Under applicable TDA rules, cost MU the primary consideration in awarding a contract. In other w the cost criterion must be given the greatest weight among al criteria. (See "Awarding the Contract," p. 17.63 of TDA AR

<sup>3</sup> As a general rule, HCDE/CP may not apply geographic preferences for procurements involving federal funds. See 2 C.F.R. § 200.319. However, HCDE/CP may apply an optional geographic preference in the procurement of unprocessed locally grown or locally raised agricultural products for use in a Child Nutrition Program. See 2 C.F.R. §§ 210 (National School Lunch Program), 215 (Special Milk Program for Children), 220 (School Breakfast Program), 225 (Summer Food Service Program), 226 (Child and Adult Care Food Program).

## 5.0 CONTRACT TERMS AND CONDITIONS

These Contract Terms and Conditions are part of the final contract in each product and/or service contract awarded as a result of this RFP and are part of the terms and conditions of each Purchase Order or proposal forms issued in connection with this RFP. Vendors are responsible for identifying any exceptions to these terms and conditions. **ANY EXCEPTIONS MUST BE NOTED DIRECTLY BELOW EACH OF THE RESPECTIVE TERMS AND CONDITIONS.** Proposals that are qualified with conditional clauses, items not called for, or other irregularities may be considered non-responsive by HCDE/CP and eliminated from further consideration.

**CONTRACT BETWEEN  
HARRIS COUNTY DEPARTMENT OF EDUCATION AND  
("VENDOR")  
FOR  
INSERT**

This Contract is entered into between HCDE/CP and Vendor, having submitted a proposal in response to this RFP issued by HCDE/CP and whose proposal has been accepted and awarded by HCDE. 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, HCDE/CP and Vendor, intending to be legally bound, and subject to the terms, conditions, and provisions of this Contract, agree as follows:

**5.1. Definitions**

The terms used in this Contract shall have the meanings assigned to them in **Section 1.0 Notice of Intent** of the RFP.

**5.2. Use of Contract by CP members**

Vendor agrees and understands that this RFP and Contract may be used to accomplish work for HCDE/CP, a local governmental entity. Vendor further agrees and understands that this RFP and Contract may also be utilized by CP members pursuant to the piggyback method, as contemplated in the U.S. Department of Agriculture Memorandum SP 35-2012, *Procuring Services of Purchasing Cooperatives, Group Purchasing Organizations, Group Buying Organizations, etc.* ("SP 35-2012). Vendor agrees and understands that CP members include "school food authorities," as that term is used in SP 35-2012.

**5.3. Contract Terms; Amendment**

The terms and conditions of this Contract shall govern all procurements conducted hereunder. No pre-published terms on Vendor's Purchase Order, acknowledgments, invoices, or other forms shall have any force or effect unless expressly agreed to by the CP member and Vendor. No amendment of this Contract shall be permitted unless and until first approved in writing by HCDE/CP and, if necessary, the CP member(s), and no such amendment shall have any effect unless and until a written amendment to this Contract is executed by the HCDE Superintendent or his designee after any necessary approvals have been obtained from the HCDE Board of Trustees. In the event that a Vendor has an existing HCDE/CP contract in the same contract title, upon award the new contract will immediately supersede the older contract.

**5.4. Term of Contract; Renewal of Contract**

The initial term of this Contract is for a period of one (1) year, with HCDE/CP having the option to renew the Contract for three (3) additional one-year terms, at HCDE's sole discretion, unless otherwise specified in **Section 6.0 Scope of Proposal**. Consequently, the total term of the Contract may be for a period of **four (4)** years. The phrase "Term" in this Contract shall mean the then-current Term of the Contract, whether an initial term or a renewal term.

**5.5. Termination of Contract; Survival**

This Contract shall remain in effect until (1) the Contract expires by its terms or (2) the Contract is terminated by mutual consent of HCDE/CP and Vendor. All Supplemental Contracts, purchase orders, and/or orders for goods or services issued by HCDE and/or CP members and accepted by Vendor shall survive the expiration or

termination of this Contract. During the term of any Supplemental Contract entered into between Vendor and a CP member, all terms of this Contract shall continue to apply to the Supplemental Contract.

In the event of a breach or default of the Contract and/or the RFP by Vendor, HCDE/CP reserves the right to enforce the performance of the Contract in any manner prescribed by law or deemed to be in the best interest of HCDE/CP and/or CP members. HCDE/CP further reserves the right to terminate the Contract immediately in the event Vendor fails to: (1) meet schedules, deadlines, and/or delivery dates within the time specified in the RFP, this Contract, and/or a Purchase Order; (2) make any payments owed; or (3) otherwise perform in accordance with this Contract and/or the RFP. HCDE/CP also reserves the right to terminate the Contract immediately, with written notice to Vendor, if HCDE/CP believes, in its sole discretion that it is in the best interest of HCDE/CP and/or CP members to do so.

In the event that a material change to the terms of the Contract occurs, then the Contract shall be allowed to expire and shall not be renewed upon the conclusion of the Contract's term. The phrase "material change" in this paragraph shall mean a modification that substantially exceeds the terms of the original contract between HCDE/CP and Vendor. Upon the expiration of the Contract's term, HCDE/CP may issue a new RFP for the goods or services procured under the previous contract.

Vendor agrees that HCDE/CP shall not be liable for damages in the event that HCDE/CP declares Vendor to be in default or breach of this Contract and/or the RFP. Vendor further agrees that upon termination of the Contract for any reason, Vendor shall, in good faith and with reasonable cooperation, aid in the transition to any new arrangement and/or Vendor.

#### 5.6. **Prevailing Wage Rates**

Vendor and all subcontractors of Vendor shall comply with all laws regarding prevailing wage rates, including, but not limited to, TEX. GOV'T. CODE Chapter 2258, applicable to the construction of a public work, and any related federal requirements, including the DAVIS-BACON ACT. In the event TEX. GOV'T. CODE Chapter 2258 applies to a product or service provided by Vendor to HCDE/CP or a CP member, Vendor and any subcontractor(s) shall comply with the prevailing wage rates set by HCDE/CP or the CP member.

#### 5.7. **Change Orders**

Pursuant to TEX. EDUC. CODE § 44.0411(a), for HCDE/CP and CP members that are Texas school districts, if a change in plans or specifications is necessary after the performance of a Purchase Order has begun or if it is necessary to decrease or increase the quantity of work to be performed or of materials, equipment, or supplies to be furnished, the CP member may approve change orders making the changes. The total Purchase Order price may not be increased because of the changes unless additional money for increased costs is approved for that purpose from available money or is provided for by the authorization of the issuance of time warrants. The CP member may grant general authority to an administrative official to approve the change orders. A Purchase Order with an original contract price of \$1 million or more may not be increased under TEX. EDUC. CODE § 44.0411(a) by more than 25 percent. If a change order for a Purchase Order with an original contract price of less than \$1 million increases the contract amount to \$1 million or more, the total of the subsequent change orders may not increase the revised contract amount by more than 25 percent of the original contract price.

#### 5.8. **Compliance with Laws**

Vendor shall comply with all applicable federal, state, and local laws, statutes, ordinances, standards, orders, rules, and regulations, including, as applicable, workers' compensation laws; minimum and maximum salary and wage statutes and regulations; prompt payment and licensing laws and regulations; anti-discrimination statutes and regulations (Title VI of the Education Amendments of 1972; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; Title 7 C.F.R. Parts 15, 15a, and 15b; the Americans with Disabilities Act; and FNS Instruction 113-1, Civil Rights Compliance and Enforcement—Nutrition Programs and Activities); the Davis-Bacon Act (40 U.S.C. § 276a / 29 CFR Part 5); the Copeland "Anti-Kickback" Act (18 U.S.C. § 874 / 29 CFR Part 5); the Equal Opportunity Employment requirements (Executive Orders 11246 and 11375 / 41 CFR Chapter 60); the McNamara-O'Hara Service Contract Act (41 U.S.C. 351); Section 306 of the Clean Air Act (42 U.S.C. § 1857h); Section 508 of the Clean Water Act (33 U.S.C. § 1368); Executive Order 11738, Environmental Protection Agency regulations (40 CFR Part 15); the Contract Work Hours and Safety Act (40 U.S.C. § 3701-3708; 29 C.F.R. Part 5; the Solid Waste Disposal Act (Section 6002 as amended by the Resource Conservation

and Recovery Act for procuring solid waste management services in a manner that maximizes energy and resource recovery when contract amount is in excess of \$10,000); the Education Department General Administrative Regulations ("EDGAR") (2 C.F.R. Part 200); mandatory standards and policies contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871); and all applicable requirements and regulations, including those related to reporting, patent rights, copyrights, data rights, and those mandated by federal agencies making awards of federal funds to HCDE/CP and/or CP members, including, without limitation, the U.S. Department of Agriculture and/or Texas Department of Agriculture. Vendor understands that Vendor is ineligible to receive a contract award with HCDE/CP if Vendor or its principal(s) is listed on the government wide exclusions in the System for Award Management (Debarment and Suspension Orders Executive Orders 12549 and 12689) or is 30 days or more delinquent in paying child support (Tex. Fam. Code § 231.006). For the entire duration of this Contract, Vendor and all subcontractors shall maintain all required licenses, certifications, permits, and any other documentation necessary to perform this Contract. All permits will be acquired by Vendor and invoiced to the CP member at cost as part of the Purchase Order, unless the permits are provided by the CP member. For the entire duration of this Contract, Vendor and all subcontractors shall also comply with all requirements pertaining to local, state, or federal health and safety certifications, licensing, or regulations. Vendor must comply with all state and local building code requirements unless otherwise specifically provided in the CP member's Purchase Order, and Vendor must pay all fees and charges for connections to outside services and for use of property outside the project site. The states of individual CP members may have regulations and laws that govern payment retention and progress payments for public projects. Vendor is responsible for being acquainted with and complying with each state's requirements. When required or requested by HCDE/CP or a CP member, Vendor shall furnish HCDE/CP and/or the CP member with satisfactory proof of Vendor's compliance with this provision.

**5.9. Confidentiality**

Vendor and HCDE/CP agree to secure the confidentiality of all information and records in accordance with applicable federal and state laws, rules, and regulations. Vendor and HCDE/CP understand that the Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g, governs the privacy and security of educational records and information and agree to abide by FERPA rules and regulations, as applicable. Vendor also acknowledges that HCDE/CP and numerous CP members are subject to the Texas Public Information Act, and Vendor waives any claim against and releases from liability HCDE/CP and CP members, their respective officers, employees, agents, and attorneys with respect to disclosure of information provided under or in this Contract or otherwise created, assembled, maintained, or held by Vendor, HCDE, or a CP member and determined by HCDE/CP or the CP member, the Attorney General of Texas, or a court of law to be subject to disclosure under the Texas Public Information Act.

**5.10. Performance and Payment Bonds**

Vendor agrees to provide performance bonds and/or payment bonds as required by law, based on the amount or estimated amount of any Purchase Order for a public work contract, which is defined as a contract for constructing, altering, or repairing a public building or carrying out or completing any public work. TEX. GOV'T. CODE § 2253.001(4). Pursuant to TEX. GOV'T. CODE § 2253.021, a performance bond is required if a Purchase Order is in excess of \$100,000 for CP members that are governmental entities subject to Chapter 2253; a payment bond is required if a Purchase Order is in excess of \$25,000 for CP members that are governmental entities subject to Chapter 2253 and are not municipalities or a joint board created under Subchapter D, Chapter 22 of the Tex. Transp. Code, and a payment bond is required if a Purchase Order is in excess of \$50,000 for CP members that are governmental entities subject to Chapter 2253 and are municipalities or a joint board created under Subchapter D, Chapter 22 of the TEX. TRANSP. CODE.

**5.11. Title and Risk of Loss**

Whenever HCDE/CP or a CP member is purchasing (and not leasing) a product under this Contract, title and risk of loss shall pass upon the later of HCDE/CP or the CP member's acceptance of the product or payment of the applicable invoice.

**5.12. Warranty Conditions**

All product(s) and/or service(s) provided by the Vendor under this Contract must be warranted to be free from defects in material, workmanship, and free from such defects in design for a period of one (1) year upon the later of HCDE's or the CP member's acceptance of the product and/or service or payment of the applicable invoice.



Vendor warrants that all products and/or services furnished under this Contract shall conform in all respects to the terms of this Contract, including any drawings, specifications, and/or standards incorporated herein, including, without limitation, those detailed in the RFP and Purchase Order. In addition, Vendor warrants that products and/or services are suitable for and will perform in accordance with the purposes for which they are intended. Vendor shall assume all liabilities incurred within the scope of consequential damages and incidental expenses, as set forth in the Vendor or manufacturer's warranty, which result from either delivery or use of product, which does not meet the specifications within this Contract, the RFP, or Purchase Order.

5.13. **Criminal History Review**

**Section 10.0 Attachment-SB 9 Contractor Certification: Contractor Employees (Required) and Attachment-SB 9 Contractor Certification: Subcontractor Form (If Applicable) must be submitted with packet, if applicable.**

Prior to commencing any work under the Contract, if Vendor contracts with HCDE/CP to provide services, Vendor must certify, on the form provided herein, that for each covered employee of Vendor who will have direct contact with students, Vendor has obtained, as required by TEX. EDUC. CODE Section 22.0834: (a) state criminal history record information from a law enforcement or criminal justice agency or a private entity that is a consumer reporting agency governed by the Fair Credit Reporting Act (15 U.S.C. Section 1681 et seq.) for each covered employee of Vendor employed before January 1, 2008; and (b) national criminal history record information for each employee of Vendor employed on or after January 1, 2008. Vendor must also obtain similar certifications of compliance with TEX. EDUC. CODE, Chapter 22 requirements from any subcontractors on the form provided herein. Covered employees with disqualifying criminal history are prohibited from serving at HCDE/CP or at CP school district members' locations; Vendor and any subcontracting entity may not permit a covered employee to provide services at a school if the employee has been convicted of a felony or misdemeanor offense that would prevent a person from being employed under TEX. EDUC. CODE § 22.085(a) (i.e., Title 5 felony or an offense requiring registration as a sex offender and victim was under 18 years of age or was enrolled in a public school at the time the offense occurred). Covered employees do not include employees of a contracting or subcontracting entity that is providing engineering, architectural, or construction services on a project to design, construct, alter, or repair a public work if: (1) the public work does not involve the construction, alteration, or repair of an instructional facility as defined by Texas Education Code Section 46.001; (2) the employee's duties will be completed more than seven (7) days before a new instructional facility will be used for instruction; or (3) for an existing instructional facility, the work area contains sanitary facilities separated from all areas used by students by a fence at least six (6) feet high, and the Contractor adopts, informs employees of, and enforces a policy prohibiting employees and any subcontractor's employees from interacting with students or entering areas used by students. Tex. Educ. Code §§ 22.0834(a-1), .08341. The criminal history record information review obligation applies only if Vendor contracts with HCDE/CP to provide services; it does not apply to a contract for the purchase of goods, products or real estate.

5.14. **Customer Support**

Vendor shall provide timely and accurate technical advice and sales support to HCDE/CP staff, and CP members. Vendor shall respond to requests for customer support within one (1) business day after receipt of the request. Vendor shall provide training to HCDE/CP staff and/or CP members regarding products and/or services supplied by Vendor, at no additional charge, if requested by HCDE/CP or a CP member.

5.15. **HCDE/CP and/or CP members' Property**

In the event of loss, damage, or destruction of any property owned by or loaned by HCDE/CP or a CP member that is caused by Vendor or Vendor's representative, agent, employee, or contractor, Vendor shall indemnify HCDE/CP or the CP member and pay to HCDE/CP or the CP member the full value of or the full cost of repair or replacement of such property, whichever is greater, within thirty (30) days of Vendor's receipt of written notice of HCDE's or the CP member's determination of the amount due. If Vendor fails to make timely payment, HCDE/CP or the CP member may obtain such money from Vendor by any means permitted by law, including, without limitation, offset or counterclaim against any money otherwise due to Vendor by HCDE/CP or the CP member.

5.16. **Tax Exempt Status**

HCDE/CP and all CP members that are Texas governmental entities or agencies are exempt from payment of Texas State Sales Taxes under TEXAS TAX CODE§ 151.310 for the purchase of tangible personal property. Laws of other states govern the tax status of CP members in states other than Texas. Vendor represents and warrants that it shall pay all taxes or similar amounts resulting from this Contract, including, without limitation, any federal, state, or local income, sales or excise taxes of Vendor or its employees. HCDE/CP and CP members shall not be liable for any taxes resulting from this Contract, except where otherwise required by law.

**5.17. Other State Tax Requirements**

5.17.1. Payment of Taxes by CP members Outside of Texas – CP members outside of Texas will pay only the rate and/or amount of taxes identified in Vendor's proposal submitted in response to the RFP as appropriate to the specific CP member.

5.17.2. State and Local Transaction Privilege Taxes – The CP member is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sales of products and are the sole responsibility of Vendor, as the seller, to remit. Failure to remit taxes from HCDE/CP and/or the CP member, as the buyer, does not relieve Vendor, as the seller, from its obligation to remit taxes.

**5.18. State of Texas Franchise Tax**

By submitting a proposal in response to the RFP, Vendor certifies that Vendor is not currently delinquent in Vendor's payment of any franchise taxes or other taxes owed to the State of Texas.

**5.19. Tax Responsibilities of Vendor and Indemnification for Taxes**

Vendor is responsible for complying with the tax laws of states and the federal government. Vendor and all subcontractor(s) of Vendor shall pay all federal, state, and local taxes applicable to Vendor's operation, any persons employed by Vendor, and all subcontractors of Vendor. Vendor shall require all subcontractors to hold HCDE/CP and the CP member harmless from any responsibility for taxes, damages, and interest. If applicable, contributions required under federal, state, and/or local laws and regulations and any other costs, including, but not limited to, transaction privilege taxes, unemployment compensation insurance, Social Security, and Worker's Compensation, shall be the sole responsibility of Vendor.

**5.20. IRS W-9**

To receive payment under this Contract, Vendor shall have a current I.R.S. W-9 Form on file with the CP member.

**5.21. Assignment of Contract**

Vendor may not assign this Contract or any of its rights, duties or obligations hereunder without the prior written approval of HCDE. Any attempted assignment of this Contract by Vendor shall be null and void. Any Purchase Order made as a result of this Contract may not be transferred, assigned, subcontracted, mortgaged, pledged, or otherwise disposed of or encumbered in any way by Vendor without the prior written approval of HCDE/CP and, if applicable, the CP member.

**5.22. Notification of Material Change**

Vendor is required to notify HCDE/CP when any material change in operations occurs, including changes in distribution rights for awarded products, bankruptcy, material changes in financial condition, change of ownership, and the like, within three (3) business days of such change.

**5.23. Performance**

Vendor agrees to use commercially reasonable best efforts to provide the product(s) and/or service(s) subject to this Contract. Vendor shall furnish all supervision, labor, tools, equipment, permits, licenses, transportation, insurance, material, and supplies necessary to complete any scope of work, Purchase Order under this Contract. Vendor shall use skilled, trained personnel, who shall be supervised by Vendor.

**5.24. Subcontractors**

If Vendor uses subcontractors in the performance of any part of this Contract, Vendor shall be fully responsible to HCDE/CP and CP members for all acts and omissions of the subcontractors. Nothing in this Contract shall

create for the benefit of any such subcontractor any contractual relationship between HCDE/CP and any such subcontractor, nor shall it create any obligation on the part of HCDE/CP or CP members to pay or to see to the payment of any monies due any such subcontractor except as may otherwise be required by law. Vendor represents and warrants that it is willing, able, and capable of obtaining, supervising, and being responsible for any subcontractors who perform and/or provide products and services related to this Contract.

5.25. **Non-Appropriation**

Renewal of this Contract, if any, will be in accordance with TEX. LOCAL GOV'T. CODE § 271.903 concerning non-appropriation of funds for multi-year contracts. Notwithstanding any other provision of this Contract or obligation imposed on HCDE/CP or any CP member by this Contract, HCDE/CP and CP members shall have the right to terminate this Contract, any Supplemental Contract, or Purchase Order without default or liability to Vendor resulting from such termination, effective as of the expiration of each budget period of HCDE/CP or any CP member if it is determined by HCDE/CP or any CP member, at their sole discretion, that there are insufficient funds to extend this Contract, any Supplemental Contract, any Purchase Order. The parties agree that this Contract, any Supplemental Contract, and/or any Purchase Order are commitments of the current revenue of HCDE/CP and CP members only.

5.26. **Ordering Procedures**

Purchase Orders are issued by HCDE/CP and/or CP members to the Vendor according to this Contract and any Supplemental Contract between HCDE/CP and the CP member. CP members must send Purchase Orders to HCDE/CP, unless otherwise stipulated by HCDE/CP. HCDE/CP may request confirmation of receipt of the Purchase Order from Vendor.

HCDE/CP also may elect to require e-commerce functionality, in which Purchase Orders are sent directly to Vendor and reported by the CP member to HCDE/CP on a specified basis. The e-commerce approach must be approved by HCDE/CP prior to the start date of any Term of the Contract.

5.27. **Invoices; Payments**

5.27.1. Vendor shall submit invoices, in duplicate, directly to HCDE/CP or the CP member at the appropriate location(s) specified by HCDE/CP or the CP member. Each invoice shall include HCDE's or the CP member's Purchase Order number and HCDE/CP Contract Number. All invoices shall be itemized to include the type of product(s) and/or service(s) rendered. Vendor shall submit invoices within a timely manner during HCDE's or the CP member's fiscal year in which the product(s) and/or service(s) are purchased. The shipment tracking number or pertinent information for verification of HCDE's or the CP member's receipt shall be made available upon request by HCDE/CP or the CP member.

5.27.2. HCDE/CP or the CP member will make payments directly to Vendor. HCDE/CP or the CP member placing the Purchase Order with Vendor shall alone be liable and/or responsible for payment for product(s) and/or service(s) ordered and must be invoiced directly by Vendor. Neither HCDE/CP nor any CP member shall be liable for the indebtedness of any one CP member.

5.27.3. TEX. GOV'T. CODE § 2251.021 shall govern when payments are due to the Vendor. Payments are due to Vendor by HCDE/CP and any CP member whose governing body meets only once a month or less frequently, **within forty-five (45) days** after the later of the following: (1) the date HCDE/CP or the CP member receives the products and services under the Contract; (2) the date the performance of the service under the Contract is completed; or (3) the date HCDE/CP or the CP member receives an invoice for the products or service. For CP members whose governing bodies meet more than once a month or more often, payments are due by those CP members **within thirty (30) days** after the later of the following: (1) the date the CP member receives product(s) under the Contract; (2) the date the performance of the service under the Contract is completed; or (3) the date the CP member receives an invoice for product(s) or service(s). Vendor agrees to pay any subcontractors the appropriate share of the payment received from HCDE/CP or the CP member not later than the **tenth (10th) day** after the date the Vendor receives the payment from HCDE/CP or the CP member.

The exceptions to payments made by HCDE, a CP member, and/or Vendor listed in TEX. GOV'T. CODE § 2251.002 shall apply to this Contract.

**5.28. Reporting**

The Vendor shall provide HCDE/CP with a detailed monthly report showing the total dollar volume of all sales under this Contract for the previous month in Microsoft Excel format, in the format and with the information specified by HCDE/CP. Reports are due on the **fifteenth (15) day of the month**, after the close of the previous month and shall provide information regarding Purchase Orders during the previous month. Vendor is responsible for collecting and compiling all sales under this Contract from all CP members and submitting **one (1)** consolidated monthly report. The monthly report shall include, at a minimum, the date of each Purchase Order, Purchase Order number, CP member name, city/town, and Purchase Order total dollar amount.

The Vendor shall provide HCDE/CP with velocity/usage reports within five (5) business days of any request by HCDE/CP for such reports.

Reports shall be submitted in an electronic format to HCDE/CP at 6005 Westview, Houston, Texas 77055, or electronically mailed to [supplyreporting@choicepartners.org](mailto:supplyreporting@choicepartners.org).

**5.29. Pricing Changes**

All prices and discount percentages in Vendor's proposal shall be firm for the Term of this Contract. Pricing may be negotiated during the Contract renewal period. In the event Proposer's prices will be adjusted or escalated upon a renewal (if any) of the fixed-price contract awarded pursuant to this RFP, Proposer must indicate such in its proposal. Any adjustment or escalation of the fixed price(s) will be based on the CPI index and may only be made at the time of contract renewal. Vendor agrees to promptly lower the proportionate price of any product purchased through this Contract following a reduction in the price the Vendor is paying suppliers. All pricing submitted to HCDE/CP in Vendor's proposal shall include the administrative fee to be remitted to HCDE/CP by Vendor. It is Vendor's responsibility to keep all pricing up-to-date and on file with HCDE/CP. All price changes shall be presented to HCDE/CP for acceptance or rejection by HCDE/CP, in its sole discretion, using the same format as was accepted in Vendor's original proposal; all price changes for products and/or services provided under this Contract must be approved, in writing, by HCDE/CP prior to taking effect.

The following documentation shall be provided to support a request for a price change:

- justification for change/increase
- terms and conditions
- market conditions
- manufacturers'/distributors' impact, if any

All price decreases shall be allowed for all products and/or services.

**5.30. HCDE/CP Administrative Fee**

HCDE/CP will invoice Vendor for the HCDE/CP Administrative Fee of **2%**, subject to the Administrative Incentive Clause, below. HCDE/CP reserve the right to modify the Administrative Fee at any time, upon notice to Vendor. The invoice for the Administrative Fee will be based on total sales made through this Contract. Vendor shall remit payment of the HCDE/CP Fee to HCDE/CP no later than **thirty (30) days** following the end of the month. Failure to pay the HCDE/CP Administrative Fee in a timely manner may result in Vendor breaching this Contract and may result in HCDE/CP suspending or terminating this Contract. Vendor shall honor and pay HCDE/CP the HCDE/CP Administrative Fee for any sales resulting from this Contract that occurred within **thirty (30) days** of the expiration or termination of this Contract. All rebates, discounts, and other applicable credits granted by Vendor as a result of any Supplemental Contracts entered into between Vendor and CP members shall accrue exclusively to CP member(s).

**Administrative Fee Incentive Clause.** The following incentives will be determined in the sole discretion of HCDE/CP and will be based on amounts actually billed by Vendor. Vendor's failure to abide by the Contract's terms and conditions, including, without limitation, Vendor's requirement to report sales to HCDE/CP, may result in HCDE/CP voiding the Administrative Fee Incentive, in HCDE/CP's sole discretion.

**Aggregate Year**

- Gross sales above \$5M invoiced by Choice Partners = 1.5% for remainder of the then-current Contract Term
- Subsequent renewal 1-year Term = 1.75% and Vendor must maintain production of \$5M to keep 1.75% fee for the next subsequent renewal 1-year Term

**Task Orders/Job Orders**

- \$2M or above - 1.5% only in the Contract Term in which they are invoiced
- \$1M or above - 1.75% only in the Contract Term in which they are invoiced

**NOTE: FAILURE TO REPORT WILL VOID THIS ADMINISTRATIVE FEE INCENTIVE**

5.31. **Records Retention**

Vendor shall maintain its records and accounts in a manner that shall assure a full accounting for all product(s) and/or service(s) provided by the Vendor to HCDE/CP and/or CP members under this Contract. These records and accounts shall be retained by Vendor and made available for review and copying by HCDE/CP and CP members for a period of **not less than three (3) years** from the date of completion of the service(s), receipt of product(s), the date of the receipt by HCDE/CP or the CP member of Vendor's final invoice or claim for payment in connection with this Contract, or the date HCDE/CP or the CP member makes final payments and closes pending matters in connection with a federal grant, whichever is later. If an audit or a compliance review has been announced, the Vendor shall retain its records and accounts until such audit or compliance review has been completed.

When federal funds are expended by HCDE or any CP member pursuant to this Contract, Vendor certifies that it will comply with the record retention requirements detailed in 2 CFR § 200.333. Vendor further certifies that Vendor will retain all records as required by 2 CFR § 200.333 for a period of three years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

5.32. **Right to Review, Audit and Inspect**

HCDE/CP, CP members, any federal agency that has awarded federal funds/grant(s) to HCDE/CP or a CP member, and the Comptroller General of the United States, and/or any of their authorized representatives, shall, upon written notice, have the right to audit and examine all of Vendor's records and accounts relating to this Contract and inspect any project performed by the Vendor relating to this Contract. Records subject to audit/review shall include, but are not limited to, all Purchase Orders resulting from this Contract and records which may have a bearing on matters in connection with the Vendor's work for HCDE/CP and/or CP members, and shall be open to inspection and subject to audit/review and/or reproduction by HCDE/CP, CP member, and/or their authorized representative(s) to the extent necessary to adequately permit evaluation and verification of:

5.32.1. Vendor's compliance with this Contract and the requirements of the RFP.

5.32.2. Compliance with procurement laws, policies, and procedures, including, without limitation, reviewing/comparing pricing on invoices for HCDE/CP and/or CP members.

5.32.3. Compliance with provisions for computing billings to HCDE/CP and/or to CP members.

5.32.4. Any other matter related to this Contract.

5.33. **Indemnification**

VENDOR SHALL INDEMNIFY AND HOLD HARMLESS HCDE/CP AND EACH CP MEMBER, INCLUDING HCDE'S AND CP MEMBERS' TRUSTEES, OFFICERS, ADMINISTRATORS, EMPLOYEES, AND AGENTS, FROM ALL CLAIMS, LIABILITIES, COSTS, SUITS OF LAW OR IN EQUITY, EXPENSES, ATTORNEYS' FEES, FINES, PENALTIES OR DAMAGES ARISING FROM ACTS OR OMISSIONS OF VENDOR, VENDOR'S EMPLOYEES, AGENTS, OR SUBCONTRACTORS, IN CONNECTION WITH THIS CONTRACT, INCLUDING WITHOUT LIMITATION, THOSE ARISING

FROM CLAIMED INFRINGEMENT OF ANY PATENTS, TRADEMARKS, COPYRIGHT OR OTHER CORRESPONDING RIGHT(S) WHICH IS RELATED TO ANY ITEM VENDOR IS REQUIRED TO DELIVER. VENDOR'S OBLIGATIONS UNDER THIS CLAUSE SHALL SURVIVE ACCEPTANCE AND PAYMENT BY HCDE/CP OR THE CP MEMBER.

5.34. **Governing Law and Exclusive Venue**

The laws of the State of Texas, without regard to its provisions on conflicts of laws, govern this Contract. Any dispute under this Contract involving HCDE/CP must be brought exclusively in the state and federal courts located in Houston, Harris County, Texas. Any dispute not involving HCDE/CP but involving a CP member and Vendor shall be governed by the laws of the state of the CP member, without regard to its provisions on conflicts of laws, and exclusive jurisdiction and venue shall lie in the city, county, and state of the CP member.

5.35. **Multiple Contract Awards; Non-Exclusivity**

HCDE/CP reserves the right to award multiple contracts under the RFP, including multiple contracts for each product/service category. Product/Service categories are established at the sole discretion of HCDE/CP. Nothing in this Contract may be construed to imply that Vendor has the exclusive right to provide products and/or services to HCDE/CP and/or CP members. During the Term of this Contract, HCDE/CP and CP members reserve the right to use all available resources to procure other products and/or services as needed and doing so will not violate any rights of Vendor. In the event that a Vendor has an existing HCDE/CP contract in the same contract title, upon award the new contract will immediately supersede the older contract.

5.36. **New Products**

New products that meet the specifications detailed in the RFP may be added to this Contract, with prior written approval from HCDE/CP. Pricing of any new products shall be equivalent to the percentage discount or proposed prices for other similar products. Vendor may replace or add products to the contract if: the replacing products are equal to or superior to the original products offered or discounted in a similar degree or to a greater degree and the products meet the requirements of the RFP. No products may be added to avoid competitive procurement procedures. HCDE/CP may reject any proposed additions, without cause, in its sole discretion.

5.37. **No Substitution; Product Recall**

Any Purchase Order issued pursuant to this Contract shall conform to the specifications and descriptions identified in this Contract and the RFP. Vendor shall not deliver substitutes without prior written authorization from HCDE/CP or the CP member.

If a product recall is instituted on any good that has been furnished and delivered to HCDE/CP or any CP member, Vendor must immediately (i.e., within 24 hours but preferably sooner) notify the purchasing agent of HCDE/CP and the purchasing CP member by e-mail or in writing and must include all pertinent information relating to the recall. If Vendor is unable to contact the purchasing agent, Vendor must contact the Director of Purchasing of HCDE/CP and the purchasing CP member. Vendor will be responsible for all costs associated with replacing the recalled product, including replacement cost, shipping charges, etc. This requirement shall survive payment and acceptance of the goods.

5.38. **Penalties**

If the Vendor is unable to provide the product(s) or services at the prices quoted in Vendor's proposal or if Vendor fails to fulfill or abide by the terms and conditions of the Contract, the RFP, or a Supplemental Contract, HCDE/CP or the CP member may take the following action(s), in the sole discretion of HCDE/CP or the CP member, and Vendor agrees to comply with the chosen action(s):

- 5.38.1 Insist that the Vendor honor the quoted price(s) specified in Vendor's proposal or the Supplemental Contract, as applicable;
- 5.38.2 Have the Vendor pay the difference between the Vendor's price and the price of the next acceptable proposal, as determined by HCDE/CP or the CP member;
- 5.38.3 Have the Vendor pay the difference between Vendor's price and the actual purchase price of the product or service on the open market; and/or
- 5.38.4 Recommend to HCDE Board of Trustees that the Vendor no longer be given the opportunity to submit a proposal to HCDE/CP and/or that this Contract be terminated.

5.39. **Promotion of Contract Marketing Plan**

The marketing of Vendor's company, product, and/or services shall be the sole responsibility of Vendor. HCDE/CP may only supply Vendor with CP members' contact lists that contain name, address, phone numbers, and/or email addresses. Other items geared toward the joint-marketing of HCDE/CP and Vendor's company, product, and/or services shall be at HCDE/CP's sole discretion. Encouraging CP members to circumvent this Contract by purchasing directly from Vendor may result in suspension or termination of this Contract. For so long as this Contract is valid and enforceable between the parties, Vendor agrees to display the CP seal in its marketing collateral materials, such as Vendor's website and related marketing materials. Vendor shall submit all promotional materials to HCDE/CP and obtain written approval before Vendor finalizes or publishes promotional material bearing the HCDE/CP or HCDE/CP name or seal. Vendor may not release any press release or other publication regarding this Contract or HCDE/CP unless and until HCDE/CP first approves the press release or publication in writing.

5.40. **Website Support**

Vendor agrees to cooperate with HCDE/CP in publicizing contract particulars on the CP website. Vendor also agrees to work with HCDE/CP in updating and maintaining current information on Vendor activities related to the Contract on the CP website. Vendor agrees to provide an electronic version of its logo for use on the CP website upon Contract award and provide other information as reasonably requested by HCDE/CP to help ensure that the CP website is current and consistently updated.

5.41. **Safety**

Vendor, its subcontractor(s), and their respective employees shall comply fully with all applicable federal, state, and local safety and health laws, ordinances, rules, and regulations in the performance of services under this Contract, including, without limitation, those promulgated by HCDE/CP, CP members, and by the Occupational Safety and Health Administration ("OSHA"). In case of conflict, the most stringent safety requirements shall govern. Vendor shall comply with all other safety guidelines and standards as required by HCDE/CP or CP members. Vendor shall indemnify and hold HCDE/CP and/or the CP member harmless from and against all claims, demands, suits, actions, judgments, fines, penalties, and liability of every kind arising from the breach of Vendor's obligations under this provision.

5.42. **Workforce**

Vendor shall employ only orderly and competent workers, skilled in the performance of the services, if any, which shall be performed under this Contract. Vendor, its employees, subcontractors, and subcontractor's employees may not use or possess any firearms, alcoholic or other intoxicating beverages, illegal drugs or controlled substances while on the job or on HCDE/CP and CP members' property, nor may such workers be intoxicated or under the influence of alcohol or drugs on HCDE/CP and CP members' property.

5.43. **Supplemental Contracts**

A CP member and Vendor may enter into a separate, Supplemental Contract. Any Supplemental Contract developed as a result of this Contract and/or the RFP is exclusively between the CP member and Vendor and shall have no effect or impact on HCDE, any other CP member, or this Contract. Any Supplemental Contract between Vendor and a CP member is exclusively between that specific CP member and Vendor and will be subject to immediate cancellation by the CP member (without penalty to the CP member) if, in the opinion of the CP member, the quality, service, and specification requirements, and/or the terms and conditions are not maintained as stated in the Supplemental Contract. Vendor shall promptly notify HCDE/CP of any Supplemental Contract executed between Vendor and a CP member.

5.44. **Insurance**

Vendor is required to provide HCDE/CP and/or the CP member with copies of certificates of insurance, naming HCDE/CP and/or the CP member as additional insured's for Texas Workers Compensation and General Liability Insurance, **within 14 business days of contract award and prior to the commencement of any work under this Contract.** Certificates of Insurance, name and address of Vendor, the limits of liability, the effective dates of each policy, and policy number shall be delivered to HCDE/CP and/or the CP member prior to commencement of any work under this Contract. The insurance company insuring Vendor shall be licensed in the State of Texas or the state in which the CP member is located, and shall be acceptable to HCDE/CP and/or the CP member.

Vendor shall give HCDE/CP or the CP member a **minimum of ten (10) days'** notice prior to any modifications or cancellation of said policies of insurance. Vendor shall require all subcontractors performing any work under or relating to this Contract to maintain coverage as specified below. Vendor shall, at all times during the Term of this Contract, maintain insurance coverage with not less than the type and requirements shown below. If the CP member has higher insurance requirements than those listed below, such may be added to the Purchase Order. Such insurance is to be provided at the sole cost of the Vendor. These requirements do not establish limits of Vendor's liability.

All policies of insurance shall waive all rights of subrogation against HCDE, CP members, and HCDE/CP and CP members' officers, employees and agents.

Upon request, certified copies of original insurance policies shall be furnished to HCDE/CP and/or to CP members.

HCDE/CP and the CP member, as requested, shall be named as an "additional insured" on insurance policies.

HCDE/CP and the CP member reserve the right to require additional insurance should HCDE/CP or the CP member deem additional insurance necessary, in their sole discretion.

- Workers Compensation (with waiver of subrogation to HCDE/CP and the CP member) Employer's Liability, including all states, U.S. Longshoremen, Harbor Workers and other endorsements.
- Statutory, and Bodily Injury by Accident: \$100,000 each employee. Bodily Injury by Disease: \$500,000, policy limit \$100,000 each employee.
- Commercial General Liability Occurrence Form including, but not limited to, Premises and Operations, Products Liability Broad Form Property Damage, Contractual Liability, Personal and Advertising Injury Liability and where the exposure exists, coverage for watercraft, blasting collapse, and explosions, blowout, cratering and underground damage. \$300,000 each occurrence Limit Bodily Injury and Property Damage combined. \$300,000 Products-Completed Operations Aggregate Limit \$500,000 per Job Aggregate. \$300,000 Personal and Advertising Injury Limit.
- Automobile Liability Coverage: \$300,000 Combined Liability Limits Bodily Injury and Property Damage Combined.

#### 5.45. **Participation in HCDE/CP**

Vendor acknowledges and agrees that continued participation in the HCDE/CP cooperative purchasing program is subject to HCDE/CP's sole discretion and that Vendor may be removed from the HCDE/CP program at any time, with or without cause, in HCDE/CP's sole discretion. All work resulting from this Contract must cease immediately after completion of the final accepted Purchase Order. Nothing in this Contract or in any other communication between HCDE/CP and Vendor may be construed as a guarantee that HCDE/CP or CP members will submit any Purchase Order to Vendor at any time.

At a minimum, to continue participation in the HCDE/CP cooperative purchasing program, Vendor must:

- Submit detailed monthly reports of all sales activity (such report is required even if there is no sales activity for a given month);
- Timely remit Administrative Fee(s) to HCDE/CP;
- Market Choice Partners, including inclusion of CP seal on Vendor's website, development and execution of marketing plan, and participation in at least **#** of marketing events (such as trade shows and conferences) annually;
- Maintain a minimum annual sales activity of \$15,000;
- Completion of all required forms (such as Form 1295, EDGAR Certifications, etc.); and
- Maintain required insurance and submit updated certificate(s) to CP annually



5.46. **No Agency or Endorsements**

It is the intention of the parties to this Contract that Vendor is independent of HCDE/CP and CP members, is an independent contractor, and is not an employee, agent, joint venturer, or partner of HCDE/CP or any CP member. 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/CP and Vendor, any CP member and Vendor, HCDE/CP and any of Vendor's agents, or any CP member and any of Vendor's agents. Vendor has no power or authority to assume or create any obligation or responsibility on behalf of HCDE/CP or any CP member, and HCDE/CP and HCE members have no power or authority to assume or create any obligation or responsibility on behalf of Vendor. This Contract shall not be construed to create or imply any partnership, agency, or joint venture, nor shall it be construed or deemed an endorsement of a specific company or product. Vendor agrees that HCDE/CP and CP members have no responsibility for any conduct of any of Vendor's employees, agents, representatives, contractors, or subcontractors.

5.47. **Equal Opportunity**

It is the policy of HCDE/CP not to discriminate on the basis of race, color, national origin, gender, limited English proficiency or handicapping conditions in its programs. Vendor agrees not to discriminate against any employee or applicant for employment to be employed in the performance of this Contract, with respect to hire, tenure, terms, conditions and privileges of employment, or a matter directly or indirectly related to employment, because of age (except where based on a bona fide occupational qualification), sex (except where based on a bona fide occupational qualification) or race, color, religion, national origin, or ancestry. Vendor further agrees that every subcontract entered into for the performance of this Contract shall contain a provision requiring non-discrimination in employment herein specified, binding upon each subcontractor. Breach of this covenant may be regarded as a material breach of the Contract.

5.48. **Force Majeure**

Neither HCDE, any CP member, or Vendor shall be deemed to have breached any provision of this Contract as a result of any delay, failure in performance, or interruption of service resulting directly or indirectly from acts of God, network failures, acts of civil or military authorities, civil disturbances, wars, energy crises, fires, transportation contingencies, interruptions in third-party telecommunications or Internet equipment or service, other catastrophes, or any other occurrences which are reasonably beyond HCDE, any CP member, or Vendor's control.

HCDE, CP members, and Vendor are required to use due caution and preventive measures to protect against the effects of force majeure, and the burden of proving that a force majeure event has occurred shall rest on the party seeking relief under this provision. The party seeking relief due to force majeure is required to promptly notify the other parties in writing, citing the details of the force majeure event and relief sought, and shall resume performance immediately after the obstacles to performance caused by a force majeure event have been removed, provided the Contract has not been terminated. Delay or failure of performance, by either party to this Contract, caused solely by a force majeure event, shall be excused for the period of delay caused solely by the force majeure event. HCDE, CP members, and Vendor shall not have any claim for damages against any other party resulting from delays caused solely by force majeure. Notwithstanding any other provision of this Contract, in the event the Vendor's performance of its obligations under this Contract is delayed or stopped by a force majeure event, HCDE/CP shall have the option to terminate this Contract. This section shall not be interpreted as to limit or otherwise modify any of HCDE's or CP members' contractual, legal, or equitable rights.

5.49. **Severability**

In the event 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, illegal, or unenforceable provision had never been contained in it.

5.50. **Waiver**

No failure on the part of either party at any time to require the performance by the other party of any term hereof shall be taken or held to be a waiver of such term or in any way affect such party's right to enforce such term, and no waiver on the part of either party of any term hereof shall be taken or held to be a waiver of any other

term hereof or the breach thereof. No waiver, alteration, or modification of any of the provisions of this Contract shall be binding unless in writing and signed by duly authorized representatives of the parties hereto.

**5.51. Entire Agreement**

The Contract, the RFP, Vendor's proposal submitted in response to the RFP, the attached and incorporated attachments, addendum, and/or exhibits, if any, and the Supplemental Contract, if any, contain the entire agreement of the parties relative to the purpose(s) of the Contract and supersede any other representations, agreements, arrangements, negotiations, or understandings, oral or written, between the parties to this Contract. In the event of a conflict between this Contract and the RFP or Vendor's proposal submitted in response to the RFP, this Contract shall control. In the event of a conflict between the RFP and Vendor's proposal submitted in response to the RFP, the RFP shall control. This Contract supersedes any conflicting terms and conditions on any Purchase Order, invoices, checks, order acknowledgements, forms, purchase orders, or similar commercial documents relating hereto and which may be issued by Vendor after the Effective Date of this Contract.

In addition to this Contract, a Supplemental Contract between Vendor and the CP member may be established to further detail the terms and conditions of the CP member's specific project. In the event of a conflict between this Contract and the Supplemental Contract, as to HCDE, this Contract shall prevail. In the event of a conflict between this Contract and the Supplemental Contract, as to the CP member, the Supplemental Contract shall prevail unless the Supplemental Contract states otherwise.

**5.52. Interpretation**

Vendor agrees that the normal rules of construction that requires that any ambiguities in this Contract are to be construed against the drafter shall not be employed in the interpretation of this Contract.

**5.53. Notice**

Any notice provided under the terms of this Contract by the parties to any other shall be in writing and shall be given by hand-delivery or by certified or registered mail, return receipt requested. Notice shall be sufficient if made or addressed to the party at the address listed in the signature line of this Contract. Notice shall be deemed effective upon receipt. Each party may change the address at which notice may be sent to that party by giving notice of such change to the other party by certified mail, return receipt requested.

**5.54. Captions**

The captions herein are for convenience and identification purposes only, are not an integral part hereof, and are not to be considered in the interpretation of any part hereof.

**5.55. Certifications**

Vendor hereby certifies that it is not a company identified on the Texas Comptroller's list of companies known to have contracts with, or provide supplies or services to, a foreign organization designated as a Foreign Terrorist Organization by the U.S. Secretary of State. Vendor further certifies and verifies that neither Vendor, nor any affiliate, subsidiary, or parent company of Vendor, if any (the "Vendor Companies"), boycotts Israel, and Vendor agrees that Vendor and Vendor Companies will not boycott Israel during the term of this Agreement. For purposes of this Agreement, the term "boycott" shall mean and include terminating business activities or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory.

Vendor certifies and agrees that it shall not assist an employee, contractor, or agent of HCDE or of any other school district in obtaining a new job if the Vendor knows, or has probable cause to believe, that the individual engaged in sexual misconduct regarding a minor or student in violation of the law. Routine transmission of an administrative or personnel file does not violate this prohibition. See HCDE Policy CJ (Legal) and (Local).

**5.56. USDA/TDA Special Terms and Conditions**

The following terms and conditions apply to all procurements and purchases involving federal School Nutrition Program funds. In the event of a conflict or inconsistency between the following terms and conditions and any provision of the Agreement, the procurement solicitation issued by HCDE, or the portion of Vendor's proposal submitted in response to HCDE's procurement solicitation that is satisfactory to HCDE, the following terms and conditions shall control.

#### **5.56.1. Market Basket Analysis**

HCDE/CP reserves the right, in its sole discretion, to use a “Market Basket Analysis” method, as that term is defined by applicable USDA/TDA regulations and guidance. The Market Basket Analysis sample is established to represent 75% of the total estimated value of the Contract. The most recent velocity/sales report(s) from HCDE/CP’s current supplier(s) was used to project the balance of the year and adjusted for any estimated change in menu and participation for the following year. As a result, this list of [100] goods to be purchased under this procurement solicitation and any resulting Contract includes the top [60] goods purchased by dollar volume representing the 75% threshold. Prices for the remaining [40] goods listed in this procurement solicitation should also be included, though they will not be a part of the Market Basket Analysis. The Market Basket Analysis shall not be used for service or equipment contracts/procurement solicitations or for Fee-For-Service Processing contracts.

#### **5.56.2 Material Change**

If a material change (as the term is defined by TDA rules and regulations) to a contract entered into between HCDE/CP and Vendor occurs, then the contract will not be renewed upon the conclusion of its term. Upon the expiration of the term, HCDE/CP may issue a new RFP for the goods or services procured under the previously-existing contract. Material change for purposes of this Section 5.56.2 means a modification that substantially exceeds the terms of the original contract between HCDE/CP and Vendor.

#### **5.56.3 Supplemental Contracts**

Supplemental Contracts are entered into pursuant to the piggyback method delineated in the U.S. Department of Agriculture directive SP 35-2012. Should the “piggybacking” result in a material change to the Contract, HCDE/CP will proceed under Section 5.56.2 of this RFP.

#### **5.56.3 New Products**

During the Term of a Contract awarded under this RFP, additional purchases not included in the original RFP list and resulting awarded contract may become necessary and benefit HCDE/CP members. Vendor and HCDE/CP agree that the aggregate value of added purchases during each year of the Contract (if renewed) shall not exceed 10% of the estimated total value of the Contract. The total value of the Contract must be agreed upon, and the dollar value listed in the Contract and each renewal term of the Contract (if any). For purposes of this section, the total value of the Contract includes all contracts awarded as a result of the procurement solicitation to all vendors. For the initial Term of a Contract awarded under this RFP, Vendor and HCDE/CP agree that the total value of the Contract shall be \$[REDACTED]. Additions of new products may be included in the awarded Contract list during the renewal of the Contract through an amendment to the Contract, and the total Contract value adjusted accordingly. For each renewal term of the Contract, the total actual value of the Contract in the preceding year and the additional new product(s) made during that Term will be the basis for determining the maximum dollar amount (not to exceed 10%) of the additional new product(s) that will be allowed during the next Contract renewal term.

#### **5.56.4 Bonds**

Vendor shall provide all bonds, including bid guarantee, performance bond, and payment bond, as applicable under U.S. Department of Agriculture and/or Texas Department of Agriculture rules.

#### **5.56.5 Use by Other Governmental Entities**

In the event that HCDE/CP allows other governmental entities to “piggyback” onto any existing contract between HCDE and Vendor entered into pursuant to this procurement solicitation, Vendor agrees and understands that such other governmental entities may include “school food authorities,” as that term is used in SP 35-2012. Should the “piggybacking” result in a material change to the Agreement for purposes of USDA/TDA purchases, HCDE/CP will proceed under the foregoing section entitled “Material Changes.”

#### **5.56.6 No Guarantee of Quantities**

Quantities for purchases paid for with School Nutrition Program funds are subject to change for various reasons, which include, but are not limited to the following: USDA commodity allocation(s), variations in student population, production item substitution(s), changes in consumer taste or expectations, pricing, and nutrition regulatory changes.

#### 5.56.7 Buy American Act

The Buy American Act, set forth in 7 C.F.R. Part 210.21(d), requires that participants in the National School Lunch Program and School Breakfast Program use the federal nonprofit food service funds, to the maximum extent practical, to buy domestic commodities or products for Program meals. 7 CFR Part 210.21(d) defines a “domestic commodity or product” as one that is either produced in the U.S. or is processed in the U.S. substantially using agricultural commodities that are produced in the U.S. “Substantially” means that over 51 percent of the final processed product consists of agricultural commodities that were grown domestically.

Because many HCDE/CP members participate in the National School Lunch Program and School Breakfast Program, HCDE/CP requires Vendor to certify whether its products are “domestic commodities or products”, as defined by 7 C.F.R. Part 210.21(d). Accordingly, Vendor agrees to provide certification and any necessary documentation requested by HCDE/CP member that the food product was processed in the U.S. and the percentage of U.S. content, by weight or volume, in the food component of processed food products supplied to HCDE/CP members. When USDA Foods items are manufactured into processed end products, 51% of resulting food products must be of United States origin.

Exceptions to the Buy American provision should be used as a last resort; however, an alternative or exception may be approved by the CP member, upon request. To be considered for an exception to the Buy American provision, Vendor may submit a good faith request for an exception, certifying that Vendor reasonably believes that:

- (a) the product is not produced or manufactured in the U.S. in sufficient and reasonable available quantities of a satisfactory quality (i.e., there is no alternative source that can provide a domestic product and/or there is no substitute domestic food product for this food product); and/or
- (b) the costs of a U.S. product are significantly higher than the non-domestic product (i.e., the cost difference in purchasing a domestic product is unreasonable).

Vendor further agrees to provide HCDE/CP members with documentation verifying that a domestic product is not available and the cost range is reasonable within a reasonable time upon request by HCDE/CP members.

In the event Vendor or Vendor’s supplier(s) are unable or unwilling to certify compliance with the Buy American Provision, or the applicability of an exception to the Buy American provision, HCDE/CP members may decide not to purchase from Vendor and/or HCDE/CP may terminate this Contract if Vendor is incapable of fulfilling the terms and conditions of the Contract, including the Buy American requirements.

Additionally, HCDE/CP members may require country of origin on all products and invoices submitted for payment by Vendor, and Vendor agrees to comply with any such requirement.

#### 5.56.8 Records Retention

When school nutrition program funds are expended by HCDE or any CP member pursuant to this Contract, Vendor certifies that it will comply with the record retention requirements promulgated by USDA/TDA. Vendor further certifies that Vendor will retain all records as required by USDA/TDA for a period of five (5) years after the end of the fiscal year to which the documentation/records pertain. Vendor further certifies that these records must be accessible to appropriate HCDE/CP member and federal or state reviewers. *See* TDA ARMS Manual, 17.107.

## 6.0 SCOPE OF PROPOSAL

6.1. It is the intention of HCDE/CP to establish one or more contracts to furnish and/or deliver **INSERT**.

6.2. Vendors are requested to submit a proposal offering their total line of available products and services that are commonly purchased by governmental entities and school districts. Vendors are encouraged to offer any applicable terms and conditions should be included for any additional product or service. HCDE/CP reserves the right to accept or reject any items included by Vendor in this section.

Awards will be made to the successful Vendor(s) for the total line of products and services submitted. Proposals can be made for any or all services and products described herein. The terms and conditions listed below apply to all categories and lots within the **INSERT**. Each category and lot contains additional terms, conditions, and specifications. If there is a conflict between category or lot terms and conditions and those listed below, the category or lot terms and conditions shall take precedence.

a) **Vendor is required to ensure that the Purchase Order includes the following, as applicable:**

- The contract number, lump sum price, start date, schedule, and notice to proceed. The schedule will include the mobilization, materials purchase, installation and delivery, design, weather, and site cleanup and inspection. No additional claims may be made for delays as a result of these items.
- The date for commencing services and/or delivery of products ("work"). Upon commencing work, the Vendor will proceed diligently toward contract completion. Any delay in the work beyond the Vendor's control must be reported to the CP member's authorized representative immediately.
- Compensation for received products, terms of progress payments, and a schedule of payments. The CP member retains the right to extend the schedule of work/delivery time or to suspend the work and to direct the Vendor to resume work when appropriate. The Purchase Order must describe an equitable adjustment for added costs caused by any suspension. Any increases will be invoiced through HCDE/CP as allowed in the Contract or RFP.
- A schedule for performance of work that can be met without planned overtime, which shall be Vendor's responsibility.
- Monthly progress reports must be given to the CP member by the Vendor. The specifics of what is reported should be described in the Purchase Order.
- Terms for acceptance by the CP member and title to work must be clearly agreed upon and described. If any part of the work requires the CP member to assume control prior to the completion, this must be defined. Vendor and the CP member must agree on the definition of what constitutes final acceptance before payment of any retained compensation.

b) After the Purchase Order is signed, a copy of the Purchase Order shall be sent to HCDE/CP's business manager.

c) Each individual Purchase Order may be limited to work at a single facility and will describe the Scope of Work to be performed. Descriptions may be written, by sketch, and/or by drawing and should include the location where work is to be performed, whether work may be performed during Regular Hours, the project completion time, and the price to be paid for the work.

d) The Vendor shall perform the scope of work within the project completion time and for the fixed price of the Purchase Order.

- e) No work shall be performed until a written Purchase Order has been signed by the Vendor and the CP member. Any work performed under a Purchase Order before the Vendor's receipt of the written Purchase Order is at the Vendor's risk.
- f) The Vendor is required to perform all work under a Purchase Order which has been issued and received before the expiration date of this Contract. If the Purchase Order is not received by the Vendor before the expiration date of this Contract, the Purchase Order will be considered cancelled. Purchase Orders sent in the last 30 days of a Term should be sent "Return Receipt Requested". Any Purchase Order issued during the Term of the Contract and not completed before the expiration date of the Contract must be completed within the completion/delivery time stated in the Purchase Order, and the rights and obligations of the Vendor and the CP member with respect to the Purchase Order will be the same as if the Purchase Order were completed during the Term of the Contract.
- g) The Vendor may not refuse to perform any project requested by a CP member unless such project is unlawful.
- h) The CP member also reserves the right not to issue a Purchase Order if in its best interest. The Vendor shall not recover any costs arising out of or related to the development of the Purchase Order.

## 7.0 SPECIFICATIONS

---

- 7.1 It is the intention of HCDE/CP to establish one or more contract(s) with highly qualified Vendor(s) for **INSERT**. Vendor(s) shall, at the request of HCDE/CP or any CP member, provide these products and/or covered services under the terms of this RFP and the Contract set forth in Section **5.0 Contract Terms and Conditions**. Vendor shall assist the CP member with making a determination of its individual needs, as stated below.

## 8.0 PRICING / DELIVERY INFORMATION

### 8.1 Pricing

Vendors must provide pricing in the HCDE/CP eBid System ([www.choicepartners.org](http://www.choicepartners.org)) including any additional pricing examples and pricing discount schedules that need to be submitted to provide HCDE/CP with a comprehensive catalog. CP members may request the Vendor to provide discounts or other adjustments, on a per-Purchase Order basis. If discounts or quantity prices are offered by the Vendor, the Vendor must also offer the same reductions in pricing for orders of similar size to HCDE/CP and other CP members. **Catalog/price lists must be included in the Vendor's proposal.**

### 8.2 Discounts provided on price lists and catalogs – Detail the average discount provided by the Vendor on stated prices.

- 8.2.1 Provide discount schedules for all products Vendor intends to offer, shown either by category or code. Use separate discount for any net items with description of these net items.
- 8.2.2 Provide labor notes for each category shown that Vendor is proposing. These notes must include Vendor's overhead, profit, and HCDE/CP fees. Provide Vendor's miscellaneous material markups. If Vendor does not provide this labor classification, mark "NA" (Not Available).
- 8.2.3 Provide a description on how Vendor intends to guarantee the performance of Vendor's labor, and what benchmark will be used to determine the labor hours for each project.
- 8.2.4 Indicate any list price adjustment Vendor intends on providing during the contract period and on what it is based. For example: CPI.

### 8.3 Freight, Delivery, Inspection & Acceptance

All deliveries shall be **Freight Prepaid, F.O.B. Destination, Full Freight Allowed, and Inside Delivery**. Deliveries shall be made during HCDE/CP or the CP member's Regular Hours.

After a contract has been awarded, Vendor(s) shall deliver the products or services procured on this Contract to HCDE/CP or the CP member issuing a Purchase Order. The conforming product(s) shall be delivered within **ten (10) business days** of Vendor's receipt of a Purchase Order. If delivery is not or cannot be made within this time period, Vendor must receive authorization from HCDE/CP or the CP member for the delayed delivery.

If defective or incorrect products are delivered, the CP member may make the determination, at its sole discretion, to return the products to Vendor at no cost to the HCDE/CP or the CP member. Vendor agrees to pay all shipping and handling costs for any such return shipment. Vendor also shall be responsible for arranging the return of the defective or incorrect products.

HCDE/CP or the CP member issuing the Purchase Order may request emergency delivery. Vendor must use its best efforts to comply with rush or emergency requested. However, if Vendor is unable to fulfill the emergency delivery request, HCDE/CP or the CP member may procure its needs from alternative sources without penalty.

- 8.3.1 Describe Vendor's service procedure and state the proposed time frame from customer request to product or service delivery and completed.
- 8.3.2 Describe how Vendor deals with shipping delays. How does Vendor notify its customers of delays?
- 8.3.3 Provide Vendor's shipping schedule reporting form. Detail how often Vendor updates the form.
- 8.3.4 Detail Vendor's average percentage of on-time delivery.



## 9.0 VENDOR QUESTIONNAIRE

---

- 9.1 Please complete the Vendor Questionnaire attached to the proposal in the HCDE/CP eBid System

[http://www.choicepartners.org/html/bidder\\_info.php](http://www.choicepartners.org/html/bidder_info.php)

## 10.0 ATTACHMENTS

---

- 10.1 Please complete the Attachment Packet attached to the proposal in the HCDE/CP eBid System

[http://www.choicepartners.org/html/bidder\\_info.php](http://www.choicepartners.org/html/bidder_info.php)



Harris County Department of Education  
6300 Irvington Blvd., Houston, Texas 77022-5618

CSP #00/000\_\_

**Competitive Sealed Proposals  
for  
Job Order Contracting IDIQ Minor Construction, Maintenance,  
Repair, Alteration, Renovation, and Remediation services**

**Submittal Deadline and Proposal Opening Deadline:**

**DATE, at 2 p.m., Central Time**

*Proposals received after the date and time stated above will not be considered.*

Questions regarding this CSP must be submitted via email or fax no later than **five (5) business days** prior to the submittal deadline date. All questions and answers will be posted online at <http://www.choicepartners.org/current-CSPs>

## TABLE OF CONTENTS

---

1.0	Notice of Intent
2.0	Introduction to Choice Partners Cooperative
3.0	Instructions to Vendors
4.0	Evaluation and Award of Proposal(s)
5.0	Contract Terms and Conditions
6.0	Scope of Proposal
7.0	Specifications
8.0	Pricing/Delivery Information
9.0	Vendor Questionnaire
10.0	Attachments

## 1.0 NOTICE OF INTENT

---

It is the intent of Harris County Department of Education (HCDE) to award one or more contract(s) as a result of this Job Order Contracting CSP for use by HCDE/CP and/or CP members. Product(s) and/or services considered for award shall equal or exceed a minimum quality level of industry standard(s) as defined within this CSP, including **Section 6.0 Scope of Proposal**, and shall comply with all applicable federal, state and local technical, environmental, and performance standards and specifications.

Further, it is the intent of HCDE/CP to allow CP members to “piggyback” onto any existing contract between HCDE and Vendor entered into pursuant to this CSP, as contemplated in United States Department of Agriculture Memorandum SP35-2012, Procuring Services of Purchasing Cooperatives, Group Purchasing Organizations, Group Buying Organizations, etc., June 12, 2012 (“SP 35-2012”). Accordingly, pursuant to HCDE’s membership agreements with CP members (as permitted under the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and Chapter 271, Subchapter F of the Texas Local Government Code, and similar statutes in other states), CP members are authorized to enter into separate and independent contracts with Vendor that employ the same negotiated terms and conditions contained in an existing contract(s) between HCDE and Vendor. Further, it is the intent of HCDE/CP to comply with the most restrictive federal (EDGAR) or state (FARSG) rule or regulation, and HCDE/CP intends to conduct a cost or price analysis in connection with every procurement action using federal funds.

This CSP is being procured in accordance with Texas Education Code (TEC) Section 44.031, Purchasing Contracts and Texas Government Code (TGC) Chapter 2269, Contracting and Delivery Procedures for Construction Projects, specifically TGC 2269.401-451, Job Order Contracting Method, for use by HCDE and CP members for job order contracting, including the maintenance, repair, alteration, renovation, remediation, or minor construction of a facility when the work is of a recurring nature but the delivery times, type, and quantities of work are indefinite.

In no event shall a job order issued as a result of this CSP be used in connection with a highway, road, street, bridge, utility, water supply project, water plant, wastewater plant, water and wastewater distribution or conveyance facility, wharf, dock, airport runway or taxiway, drainage project, or related type of project associated with civil engineering construction or a building or structure that is incidental to a project that is primarily a CIVIL ENGINEERING construction project. TEX. GOV’T CODE § 2269.402.

In compliance with TEX. GOV’T CODE § 2269.403(b), HCDE/CP is establishing the maximum annual aggregate contract price for all contracts awarded under this CSP for the entire CP cooperative program at \$200 million. The governing body of a CP member that is a governmental entity must approve each job, task, or purchase order that exceeds \$500,000. TEX. GOV’T CODE § 2269.403(c).

Any Job Order issued pursuant to this CSP must be signed by the representative of the governmental entity/CP member’s representative that solicits the Job Order and the Contractor. TEX. GOV’T CODE § 2269.410(a). The Job Order may be (1) a fixed price, lump-sum quote based substantially on unit pricing applied to estimated quantities; or (2) a unit price job order based on the quantities and line items delivered. TEX. GOV’T CODE § 2269.410(b).

**1.1 The initial base term of the prospective contract is a period of one calendar year, and HCDE/CP may elect to extend any contract awarded pursuant to this CSP for up to three additional one-year renewal terms. TEX. GOV’T CODE § 2269.409.**

**1.2 In this CSP and in the Contract, the following terms shall mean as follows:**

**1.2.1 “HCDE”** means the Harris County Department of Education, a county school district established under the laws of the State of Texas; 6300 Irvington Blvd., Houston, Texas 77022.

**1.2.2 “CP”** means Choice Partners cooperative, a national cooperative purchasing program and division of HCDE. HCDE/CP is a local governmental agency, as that term is used in SP 35-2012.

- 1.2.3 “**CP member(s)**” means the non-profit entities, public and private schools (including independent school districts and charter schools), education service centers, colleges, universities, municipalities, counties, political subdivisions, and other governmental entities and agencies throughout the United States that have followed local governing authority allowing them to utilize contracting vehicles procured and administered by HCDE, pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and Chapter 271, Subchapter F of the Texas Local Government Code, and similar statutes in other states.
- 1.2.4 “**Vendor(s)**” means the proposer(s) responding to this CSP and vendor(s) to whom a contract has been awarded as a result of this CSP by HCDE. A responsible vendor is a vendor who has adequate financial resources (or the ability to obtain such resources), can comply with the delivery requirements, and is a qualified and established firm regularly engaged in the type of business that provides the product(s) /service(s) listed herein.
- 1.2.5 “**Contract**” means the contract terms and conditions in **Section 5.0 Contract Terms and Conditions**, as further defined in the Entire Agreement provision of Section 5.0. A contract is exclusively between HCDE/CP and Vendor. All existing contracts shall be made available to CP members to review and copy. Further, all records, reports, and other documents related to HCDE/CP’s competitive procurement of existing contracts shall also be made available to CP members to review and copy
- 1.2.6 “**Supplemental Contract**” means a separate, supplemental contract entered into between a CP member and the Vendor, which utilizes the negotiated terms and conditions contained in the existing competitively-procured contract(s) between HCDE/CP and Vendor. Supplemental Contracts may further define the level of service and/or product requirements over and above the minimum defined in the Contract and the CSP, including, without limitation, invoice requirements, ordering requirements, on-campus service, specialized delivery, discounted pricing, etc. Supplemental Contracts may be a Purchase Order or Job Order issued by a CP member. Supplemental Contracts are exclusively between a CP member and Vendor and are executed pursuant to the piggyback method delineated in SP35-2012. Vendor shall immediately notify HCDE/CP of all Supplemental Contracts entered into with a CP member.
- 1.2.7 “**Best Value**” means the method by which a contract, if any, is awarded, in accordance with applicable laws, rules, and regulations. Best Value includes multiple parameters, including experience, references, quality of the Vendor’s product(s)/service(s), and price, as detailed in **Section 4.0 Evaluation and Award**.
- 1.2.8 “**HCDE/CP Administrative Fee**” or “**HCDE/CP Fee**” means the fee paid by Vendors to HCDE/CP for the limited purpose of funding the total administrative costs of the HCDE/CP program. HCDE/CP will invoice the Vendor for the HCDE/CP Administrative Fee. *See* Section 5.30. **The HCDE/CP Fee must be included in Vendor’s price coefficient and must not be issued as a separate line item in any Job Order Proposal issued to CP members.** Vendors must pay the HCDE/CP Fee within thirty days of the completion of any Job Order. If the Job Order has progress payments, the Vendor is required to pay the HCDE/CP Fee in proportion to progress payments within thirty days of the invoice date. All rebates, discounts, and other applicable credits from the Vendor resulting from Supplemental Contract(s) shall accrue exclusively to CP members.
- 1.2.9 “**Purchase Order**” or “**PO**” means the agreed-upon purchase order between HCDE or the CP member and the Vendor. Special terms and conditions agreed to by the Vendor and HCDE/CP or the CP member may be added as addendums to the PO, including such items as requirements concerning certificates of insurance, bonding, and small or disadvantaged business goals.
- 1.2.10 “**Premium Hours**” means those hours not included in Regular Hours or federal holidays. Premium Hours must be approved by HCDE/CP or the CP member for each Purchase Order or Job Order.
- 1.2.11 “**Regular Hours**” means the hours between 7 a.m. and 6 p.m. Monday thru Friday, excluding the following holidays: Presidents’ Day, Easter, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and New Year’s Day.

### Definitions related to Job Order Contracting:

- 1.2.12 **“Job Order Contracting or JOC”** is “a procurement method used for maintenance, repair, alteration, renovation, remediation, or minor construction of a facility when the work delivery is of a recurring nature but the delivery times, type and quantities or work required are indefinite (IDIQ).” TEX. GOV’T. CODE § 2269.401. JOC is negotiated by line-item delivery orders (job orders) based upon a contract’s priced coefficient applied to the city cost index and the line items in the unit price book. Once the line items are agreed to by the Vendor and HCDE or the CP member, a lump-sum, firm fixed price contract for the negotiated Scope of Work exists. The product(s) and/or service(s) to be purchased under the awarded contract(s), if any, may be of indefinite delivery and indefinite quantity (IDIQ).
- 1.2.13 **“Unit Price Book or UPB”** means the current addition(s) of the applicable unit price book(s) and the published quarterly updates. TEX. GOV’T. CODE § 2269.404 (“The governmental entity may establish contractual unit prices for a job order contract by specifying one or more published construction unit price books and the applicable divisions or line items or providing a list of work items and requiring the Vendor to propose one or more coefficients or multipliers to be applied to the price book or pre-priced work items as the price proposal.”) **The Unit Price Book(s) for this JOC CSP are the current edition of the RS Means Facilities Construction Unit Price Cost Data (RSMeansOnline.com) and the Craftsman National Construction Estimator Unit Price Book and software, using the most recent edition “Total Inc. O&P” or the Total column assuming a 35% O&P for the National Construction Estimator book.** When required by insurance or FEMA, Xactimate may be used in place of the UPB or cost data used in this CSP. Vendors, at their expense, will make copies of the UPB available to CP Members upon request via electronic or printed media. See Section 6.0 “Scope of Proposal” and Section 7.0 “Specifications” of this CSP for additional information.
- 1.2.14 **“Construction Specification Institute (CSI) Format”** is a published system of titles and numbers used extensively to organize construction information. All unit price data in the UPB is arranged in a CSI Master Format system.
- 1.2.15 **“Coefficient”** means the Vendor’s coefficient multiplier that is applied to the City Cost Index and the total sum of line item estimates for each individual Job Order, including all overhead items, such as office, vehicles and fuel, computers, communication devices, printers, programs, insurance maintenance, HCDE/CP administrative fee, as well as all costs to the Vendor associated with usual and customary program/project management, administration, and jobsite supervision.
- 1.2.16 **“City Cost Index”** means the defined pricing indices published by the Unit Price Book as local zip code modifiers to the national cost data.
- 1.2.17 **“Job Order”** is a unit price order based on the quantities and line items delivered. TEX. GOV’T. CODE § 2269.403(b). A Job Order is an order for a job or project that includes HCDE’s or the CP member’s job or project’s written Scope of Work and must be signed by the Vendor and HCDE or CP member. TEX. GOV’T. CODE § 2269.410(a). A signed Job Order is a contract between the Vendor and HCDE or the CP member. The governing body of each CP member that is a governmental entity, as defined in Chapter 2269 of the Texas Government Code, must approve each Job Order or Purchase Order that exceeds \$500,000. TEX. GOV’T. CODE § 2269.403(c).
- 1.2.18 **“Job Order Quote Request”** originates from HCDE/CP or the CP member and provides a general scope of project services and/or engineering/architectural drawings, a requested schedule, and any special addendum requirements from which the Vendor will develop a Scope of Work to be included in the Vendor’s Job Order Proposal.
- 1.2.19 **“Job Order Quote”** means the response from the Vendor to HCDE/CP or the CP member’s request for a specific project and contains the line-item estimate for the project as defined in the UPB and includes a written Scope of Work for services to be performed and/or products to be delivered. Each Job Order Quote submitted to HCDE/CP or the CP member must contain a line item estimate generated by one of the approved software programs, including all of the UPB items, quantities, pricing and total cost.

- 1.2.20 **“Scope of Work or SOW”** is the specific work that has been agreed to be undertaken and accomplished by Vendor for HCDE/CP or the CP member via the Job Order process.
- 1.2.21 **“Vendor’s Project General Manager (PGM)”** is the senior member of the Vendor’s team and will be the ultimate interface between HCDE/CP and CP members and Vendor.
- 1.2.22 **“Vendor’s Key Staff Members”** are critical to the quality, implementation, and successful support and execution of the contract and will be evaluated by HCDE/CP. Vendor’s Key Staff Members typically include the PGM, Delivery Order Managers, Business Manager, Safety/Environmental Manager, Quality Assurance/Quality Control Manager, and Marketing Manager.
- 1.2.23 **“Non Pre-Priced Items”** means those items that cannot be found or reasonably compared to listed line items in the UPB. The process detailed in Section 6.3.2 shall apply to Non Pre-Priced Items.

### 1.3 Time Table

HCDE/CP anticipates following the time table listed below for this job. The table below is only an estimate and may vary.

TIME TABLE		
Item	Activity	Date
1	CSP Advertised - 1 <sup>st</sup> run	Friday, February 12, 2016
2	CSP Advertised - 2 <sup>nd</sup> run	Monday, February 15, 2016
3	Pre-Proposal Meeting	Wednesday, February 17, 2016 @ 10 a.m. (6005 Westview Drive, Houston TX 77055)
4	Proposals Due	Tuesday, March 8, 2016 @ 2 p.m. CT
5	Award Date	Tuesday, April 9, 2016



## 2.0 INTRODUCTION TO CHOICE PARTNERS COOPERATIVE

---

### 2.1. Description of CP members

- 2.1.1. Contract(s), if any, awarded as a result of this CSP will be available for use by HCDE/CP. Additionally, contract(s) awarded as a result of this CSP will also be available for use by CP members pursuant to the piggyback method delineated in SP 35-2012. HCDE/CP, a local governmental entity, currently has more than 1,300 members and keeps growing every day. Many CP members constitute “school food authorities,” as that term is used in SP 35-2012.

Contract(s), if any, awarded as a result of this CSP will be available to CP members to review and copy on an “as needed” basis from a list of contracts that have been competitively procured and awarded to Vendors based on the selection criteria set forth in Section 4.0 Evaluation and Award. All related records, reports, and documents related to the competitive procurement of any contract(s) awarded as a result of this CSP will also be available to CP members to review and copy on an “as needed” basis.

- 2.1.2. By allowing eligible entities to piggyback onto existing contract(s) between HCDE/CP and Vendors, those entities can accomplish the legally-required competition for contracts of commonly purchased products and services, thereby saving the individual entity the cost of going through the procurement process. Vendors benefit as well by having a multi-year contract and by saving the time and expense of going through the procurement process for each individual participating governmental entity. The specific scope of work for each Supplemental Contract/Purchase Order shall be determined in advance and in writing between the CP member and the Vendor.
- 2.1.3. Pursuant to TEX. GOV'T. CODE Chapter 791, the Interlocal Cooperation Act, and similar statutes of other states, as well as directives issued by the Texas Department of Agriculture and the United States Department of Agriculture, HCDE/CP and CP members participate in an Interlocal Contract to provide governmental functions and services, including procurement services, which permits CP members to make purchases using contracts procured by HCDE.<sup>1</sup> **A local government that purchases products and services under the Interlocal Cooperation Act satisfies the requirement of the local government to seek competitive bids for the purchase of the products and services.** TEX. GOV'T. CODE § 791.025(c). An interlocal contract between a governmental entity and a purchasing cooperative may not be used to purchase engineering or architectural services. TEX. GOV'T. CODE § 791.011(h).

---

<sup>1</sup> See, e.g., TEX. EDUC. CODE § 44.031(a)(4) (“all school district contracts for the purchase of goods and services, except contracts for the purchase of produce or vehicle fuel, valued at \$50,000 or more in the aggregate for each 12-month period shall be made by the method...that provides the best value for the district[, including] an interlocal contract”); TEX. EDUC. CODE § 51.9335(a)(4) (each institution of higher education, as that term is defined by Tex. Educ. Code § 61.003, including each public junior college to the extent possible, “may acquire goods or services by the method that provides the best value to the institution, including... a group purchasing program.”); TEX. EDUC. CODE § 73.115(a)(4) (University of Texas at Houston “may acquire goods or services by the method that provides the best value to the institution, including... a group purchasing program.”); TEX. EDUC. CODE § 74.008(a)(4) (University of Texas Medical Branch at Galveston “may acquire goods or services by the method that provides the best value to the medical branch, including...a group purchasing program.”); TEX. LOCAL GOV'T. CODE Chapter 271 (Purchasing and Contracting Authority of Municipalities, Counties, and Certain Other Local Governments); TEX. LOCAL GOV'T. CODE Chapter 262 (Purchasing and Contracting Authority of Counties); 2 C.F.R. § 200.318(e) General Procurement Standards (“To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the non-federal entity is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.”); Texas Department of Agriculture, *Participation on Purchasing Cooperatives*, May 9, 2014, Angela Olige; United States Department of Agriculture Memorandum SP35-2012, *Procuring Services of Purchasing Cooperatives, Group Purchasing Organizations, Group Buying Organizations, etc.*, June 12, 2012.

#### 2.1.4. **Contracts Involving Federal Funds**

Because at the time of procurement, HCDE/CP is unable to determine which of its procurements/contracts will be used by CP members using federal funds, HCDE/CP intends to competitively procure each and every contract awarded by HCDE/CP under Section 44.031 of the Texas Education Code and intends to comply with EDGAR for every procurement action. To comply with EDGAR, HCDE/CP will make an independent estimate of the value of goods or services in the current market before receiving bids or proposals. After HCDE/CP receives bids and proposals but before awarding a contract, HCDE/CP will also conduct a price or cost analysis and document its findings. For contracts at or above \$150,000, CP members must verify that HCDE/CP fulfilled its requirement to conduct a cost or price analysis in order to benefit from the ability to purchase goods and services from CP directly without the need for additional procurement activities or documentation. HCDE/CP will provide its Independent Estimate Determination Form and Determination of Cost or Price Reasonableness Form to a CP member upon request, but HCDE/CP recommends that when circumstances necessitate separate evaluation of lump-sum pricing, CP members also conduct an independent evaluation of cost or price reasonableness tailored to the CP member's specific purchases so that the CP member can independently determine the reasonableness of the cost/price of the particular purchase. Stated differently, if the CP member's verification of CP's compliance with EDGAR reveals that the lump-sum price includes goods or services for which CP could not have performed a cost or price analysis, the Choice member should conduct an independent cost or price analysis.<sup>2</sup>

#### 2.2. **Financing of HCDE/CP**

- 2.2.1. HCDE/CP does not charge membership fees to CP members.
- 2.2.2. The total cost of the HCDE/CP program is funded through the HCDE/CP Administrative Fee paid to HCDE/CP by Vendors. The HCDE/CP Fee is based on a percentage of vendor sales, less special insurance and required bonding, if applicable.
- 2.2.3. HCDE/CP will provide limited oversight in assisting both CP members and Vendors in marketing to CP members, training (education), and provide, at a minimum, an annual review of each Vendor. This service will be paid for out of the HCDE/CP Fee. HCDE/CP will not market or sell directly for Vendors.
- 2.2.4. All rebates, discounts, and other applicable credits that are granted by Vendors as a result of Supplemental Contracts shall accrue exclusively to CP member(s).
- 2.2.5. **Vendor expressly agrees that HCDE/CP may disclose Vendor's proposal, including, but not limited to, pricing information, to other governmental entities.**

#### 2.3. **HCDE/CP Procedures**

- 2.3.1. Contracts are awarded through fair and open competition in compliance with applicable procurement rules and regulations.
- 2.3.2. The CP member sends a proposal request to the Vendor.
- 2.3.3. The Vendor prepares and sends to the CP member its proposal. The CP member conducts an evaluation of cost or price reasonableness, if the CP member is using \$150,000 or more of federal funds and an independent cost/price evaluation is necessary.
- 2.3.4. The Vendor and the CP member agree on a Purchase Order. Purchase Orders/Supplemental Contracts are reported and sent by individual CP members to the Vendor and to HCDE/CP, where they are logged and filed.
- 2.3.5. The Vendor delivers product(s)/service(s) directly to the CP member and then invoices the CP member.
- 2.3.6. The Vendor receives payment directly from CP member.
- 2.3.7. The Vendor reports the administrative fee to HCDE/CP and pays the fee to HCDE/CP.

---

<sup>2</sup> See *News from the Div. of Grants Admin.: Procurement Question Added to EDGAR FAQ Doc.*, Texas Educ. Agency (July 2, 2015); *New EDGAR Regs. Frequently Asked Questions: Preliminary Guidance Applicable to all Federally Funded Grant Programs Administered by the Texas Educ. Agency* (2014); 2 C.F.R. § 323(a) (cost or price analysis requirement).

## 3.0 INSTRUCTIONS TO VENDORS

### 3.1. Proposal Response Format

To qualify for evaluation, a proposal must have been submitted on time and must materially satisfy all mandatory requirements identified in this CSP. Vendors must follow the format instructions detailed below in preparing and submitting their proposals.

#### 3.1.1 Required Format

Vendors shall submit proposals online in the HCDE/CP eBid system at the following address: <http://hcdeebid.ionwave.net>. The Vendor is responsible for ensuring that HCDE/CP has the appropriate company name, authorized representatives, and contact information on file for the purpose of receiving notices, changes, addenda or other critical information.

3.1.2 The following items must be included in the **Response Attachment** section of the eBid System. Failure to include these items may result in non-award.

- 1) Completed 9.0 Vendor Questionnaire
- 2) Completed 10.0 Attachment Packet
- 3) Pricing; Electronic Catalog/Price Lists
- 4) Insurance Coverage Certification (See Section 5.44).
- 5) Vendor's logo in JPEG format
- 6) Marketing Plan
- 7) Link to Vendor's website
- 8) Any applicable certificates (i.e., HUB, SWBE, licenses, etc.)
- 9) Safety plan
- 10) Surety letter showing Vendor's bonding capacity

#### 3.1.3 Proposal Response Location

Proposals shall be received no later than the submittal day and time deadline in the HCDE/CP eBid System.

#### 3.1.4 Submission of Proposals

HCDE/CP will only accept bids and proposals submitted online. Faxed or electronically transmitted proposals will not be accepted. Deviations from any terms, conditions and/or specifications shall be conspicuously noted in writing by the Vendor and shall be included with the proposal. Withdrawal of proposals will not be allowed for a period of 180 days following the opening. Withdrawal of proposals prior to the submission deadline is permitted. **Copyrighted proposals are unacceptable and may be disqualified.**

#### 3.1.5 HCDE/CP Reservations

HCDE/CP reserves the right to:

- a) Cancel this solicitation in whole or in part, at the sole discretion of HCDE/CP.
- b) Accept, reject, or negotiate modifications in any terms of the Vendor's proposal or any parts thereof.
- c) Conduct oral interviews/discussions or presentations necessary to select the best value Vendor and/or to obtain competitive pricing.
- d) Reject and/or disqualify any or all proposals received, to award contracts for individual products or services as may appear advantageous, and to negotiate separately in any manner necessary to serve the best interest of HCDE/CP and/or CP members.
- e) Waive any formalities, technicalities, or other defects if deemed in the best interest of HCDE/CP and/or CP members; Request clarification and/or correction of Vendor(s) for the purpose of eliminating minor errors, clerical errors, and/or non-substantive irregularities.
- f) Be the sole judge of quality and equality.
- g) Award one or more contracts, in part or in whole, to a single or to multiple Vendors, in HCDE/CP sole discretion.
- h) Make all decisions regarding this CSP, including, without limitation, the right to decide whether a proposal substantially complies with the requirements of this CSP.

**3.1.6 Financial Responsibility**

HCDE/CP assumes no financial responsibility for any costs incurred by Vendors in developing and submitting a proposal or any amendments or addenda, participating in pre-proposal meetings, participating in any negotiation sessions or discussions, or any other costs incurred by Vendors pursuant to this CSP.

**3.1.7 Compliance with Specifications and Contract**

Vendors are requested to submit a proposal offering their total line of available products and services that are commonly purchased by governmental entities, school districts, and other public, not-for-profit agencies and organizations. Proposals shall be deemed responsive if they comply with all material and administrative aspects of this CSP. Vendors are required to respond to all requests identified in this CSP and indicate their acceptance or objection to the terms of the CSP and the Contract terms in section 5 Terms and Conditions. Any exceptions to the terms and conditions in the CSP or the Contract must be clearly indicated in the Vendor's submitted proposal. Deviations or exceptions stipulated in a Vendor's response may result in disqualification. Any language to the effect that the Vendor does not consider this CSP to be part of a contractual obligation may result in the Vendor's proposal being disqualified. Each Vendor, by making its proposal, represents that the Vendor has read and understands the CSP and the Contract.

## 4.0 EVALUATION AND AWARD

---

### 4.1. **Award of Contract**

In accordance with applicable laws, rules, and regulations for public procurement, award(s) will be made to the responsible Vendor(s) whose proposal(s) is/are determined after evaluation by HCDE/CP to be the best value to HCDE/CP and to CP members. To qualify for evaluation, a proposal must have been submitted on time and must materially satisfy all mandatory requirements identified in this document.

### 4.2. **Competitive Range**

It may be necessary for HCDE/CP to establish a competitive range of acceptable proposals as part of the evaluation process. Proposals not in the competitive range are unacceptable and will not receive further award consideration.

### 4.3. **Conflict of Interest – EDGAR**

In accordance with federal EDGAR requirements, 2 CFR § 318(c)(1), no employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which 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 considered for a contract.

The officers, employees, and agents of HCDE may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, through HCDE's written procedures, HCDE has set a de minimis amount of less than \$50 per year for items that are unsolicited and of minimal value and promotional items.

Violations of this standard by an employee will be reported to the Superintendent's Office and addressed through HCDE's personnel policies. Violations of this standard by an officer or the Superintendent shall be addressed to the **Board President and addressed through HCDE Board policies.**

### 4.4. **Deviations and Exceptions to Requirements**

Deviations or exceptions stipulated in a Vendor's response may result in disqualification. Any language to the effect that the Vendor does not consider this CSP to be part of a contractual obligation may result in the Vendor's proposal being disqualified.

### 4.5. **Clarification and/or Discussions**

HCDE/CP may request clarification from Vendor(s) for the purpose of eliminating minor errors, clerical errors, and/or non-substantive irregularities. Clarification does not give a Vendor the opportunity to revise, change, or modify its proposal in any way except to the extent of correction of the error. Discussion between HCDE/CP and Vendor can also take place after the initial receipt of proposals. HCDE/CP reserves the right to conduct discussions with all, some, or none of the Vendor submitting proposals. HCDE/CP will not assist the Vendor in the revision or modification of its proposal, nor will HCDE/CP assist the Vendor in bringing its proposal to the same level of other proposals received by HCDE/CP. Negotiations or discussions, if any, will not consist of a back-and-forth exchange resulting in contract, but rather will seek clarification or obtain equivalent elements.

Questions related to the CSP can be submitted online at <http://hcdeebid.ionwave.net> no later than five (5) business days prior to the submittal deadline date. All submitted questions and answers will be listed online. Questions will not be answered verbally or by phone.

### 4.6. **No Guarantee of Quantities**

HCDE/CP makes no guarantee or commitment of any kind concerning quantities that will actually be purchased under this CSP and the resulting contract, if any. HCDE/CP makes no guarantee or commitment of any kind regarding usage of any contracts resulting from this CSP.

4.8. **Minority and Women's Business Enterprise (MWBE), Historically Under-utilized Business (HUB) and Small Business Enterprise (SBE) Participation**

HCDE/CP encourages the use of HUB, MWBE, and SBE both as prime and subcontractors. However, these entities must meet the same minimum standards and requirements as the prime contractor. It will be the responsibility of the prime contractor to pre-qualify any subcontractors offered as HUB, MWBE and SBE participants. Some CP members have specific goals for subcontracting requirements and will require that a plan be attached to meet their goals. The Vendor shall also indicate on their submitted proposals whether or not they are a HUB, MWBE, or SBE vendor and with whom they are certified, e.g., State, City, Federal, and attach a copy of the certificate(s) under "Response Attachments" section of the eBid system.

When federal funds are expended by HCDE or any CP member, Vendor is required to take all affirmative steps set forth in 2 CFR 200.321 to solicit and reach out to small, minority and women owned firms for any subcontracting opportunities, including:

- (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; and
- (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

4.9. **Formation of Contract (Execution of Offer)**

A response to this CSP is an offer to contract with HCDE/CP based upon the terms, conditions, scope of work, and specifications contained in this CSP. A CSP does not become a contract unless and until it is accepted by HCDE/CP after approval by the HCDE Board of Trustees. A contract is formed when either HCDE's Superintendent or Assistant Superintendent for Business Support Services signs the Signature Form. The Vendor must submit a signed Signature Form, thus eliminating the need for the formal signing of a separate contract.

4.10. **Multiple Awards**

HCDE/CP reserves the right to award contracts to multiple vendors. The decision to award multiple contracts, award only one contract, or to make no awards rests solely with HCDE/CP. HCDE/CP may make multiple awards; this fact should be taken into consideration by each Vendor.

4.11. **Non-Exclusive Contract**

Any contract resulting from this CSP is non-exclusive and shall be awarded with the understanding and Contract that it is for the sole convenience of HCDE/CP and CP members. HCDE/CP and CP members are free to have multiple contracts for the awarded products and/or services and may initiate other procurement solicitations or procurement activity with other suppliers at any time, at HCDE's or CP members' sole discretion.

4.12. **Disqualification**

A Vendor may be disqualified before or after the proposals are opened upon evidence of collusion with the intent to defraud or evidence of intent to perform other illegal activities for the purpose of obtaining an unfair competitive advantage. A Vendor may also be disqualified before or after the proposals are opened in the event Vendor is out of compliance with an existing contract with HCDE/CP.

4.13. **Environmental Initiatives**

HCDE/CP is committed to reducing waste and promoting energy conservation. Toward that end, Vendors responding to this solicitation are encouraged to provide their company's environmental policy and green initiative.

4.14. **Interpretation**

This solicitation represents the basis for any award and supersedes all prior offers, negotiations, exceptions and understandings (whether orally or in writing). Submitted proposals should be self-explanatory and should not require any clarification or additional information.

4.15. **No Return of Proposals**

Once submitted, HCDE/CP will not return proposals to Vendor.

4.16. **Non-Collusion Statement**

Vendors are required to certify a **Non-Collusion Statement**. (See Section 10.0 Attachments) Vendors are required to state the party submitting a proposal or bid, that such proposal or bid is genuine and not collusive or sham; that Vendor has not colluded, conspired, connived or agreed, directly or indirectly, with an entity or person, to put in a sham proposal or bid or to refrain from proposing, and has not in any manner, directly or indirectly, sought by Contract or collusion, or communication or conference, with any person, to fix the proposed price or of any other vendor, or to fix any overhead, profit or cost element of said proposed price, or of that of any other vendor, or to secure any advantage against HCDE/CP or any person interested in the proposed contract, and that all statements in said proposal are true.

4.17. **Preferences**

HCDE/CP may apply applicable preferences for Texas resident Vendors in the event of a tie bid. Preferences must be explicitly claimed by Vendor and may not be applicable in procurements and/or contracts involving federal funds unless the procurement and/or contract involves unprocessed locally grown or locally raised agricultural products for use by HCDE/CP in a Child Nutrition Program. *See TEXAS GOV'T. CODE §2252.001-.004; 2 C.F.R. § 200.319.*

4.18. **Responsible Vendor**

HCDE/CP may only award contracts to Responsible Vendor(s) who possess the ability to perform successfully under the terms and conditions of a proposed procurement contract. A Responsible Vendor is a vendor who has adequate financial resources (or the ability to obtain such resources), can comply with the delivery requirements, and is a qualified and established firm regularly engaged in the type of business that provides the items listed herein. When determining if a vendor is responsible, HCDE/CP will consider the proposer's integrity, compliance with public policy, record of past performance, and financial and technical resources.

4.19. **Responsive Proposal**

Proposals shall be deemed responsive if they comply with all material and administrative aspects of this CSP.

4.20. **Similar Products or Materials**

Whenever product(s) and/or material(s) are referred by HCDE/CP in this solicitation by describing a proprietary product or by using the name of a manufacturer or brand name, the term "or equal" if not inserted shall be implied, as applicable. The specified product(s) and/or material(s) shall be understood as indicating type, function, minimum standard of design, efficiency and quality desired and shall not be construed as to exclude other manufactured products or comparable quality, design and efficiency, as applicable.

4.22. **Material Changes**

If a material change to a contract entered into between HCDE/CP and Vendor occurs, then the contract will not be renewed upon the conclusion of its term. Upon the expiration of the term, HCDE/CP may issue a new CSP for the goods or services procured under the previously-existing contract. Material change means a modification that substantially exceeds the terms of the original contract between HCDE/CP and Vendor.

4.23. **Appeal/Protest Process**

Any Vendor who submitted a proposal may appeal HCDE's award, if the appeal is based on deviations from laws, rules, regulations, or HCDE Board policies. HCDE Board Policy GF (Local) applies to any Vendor wishing to appeal a proposal and/or award of a contract. In accordance with Policy GF (Local), a Vendor shall submit a complaint/appeal form by hand-delivery, fax, or U.S. mail, to HCDE's Director of Choice Partners. Complaints/appeals must be received by the close of business on or before the 15<sup>th</sup> HCDE business day after award of the contract. In the event Vendor is unsure about the award of the contract, it is the Vendor's

responsibility to contact Choice Partners on the next business day after the award is announced and verify details concerning the award.

#### 4.24 Evaluation of Proposals

A committee of HCDE/CP employees and/or CP members will review and evaluate proposals and make a recommendation to the HCDE Board of Trustees. HCDE/CP will base a recommendation for contract award on the following factors:

<b>Evaluation Factors</b>	<b>Weighted Value</b>
(1) Price	40
<ul style="list-style-type: none"> <li>Vendor's proposed coefficient(s)</li> </ul>	
(2) Vendor's experience and reputation	15
<ul style="list-style-type: none"> <li>References for local governmental entities and with a purchasing cooperative program</li> <li>Local government agencies within the past 5 years</li> <li>Other projects completed within the past 10 years</li> </ul>	
(3) Quality of Vendor's products/services and extent to which the products/services meet HCDE/CP and CP members' needs, including:	25
<ul style="list-style-type: none"> <li>JOC Project Management</li> <li>JOC Infrastructure Solutions</li> <li>Quality of Vendor's Products/Service</li> <li>Demonstrated ability to perform job order contracting services</li> <li>Vendor's proposed personnel</li> </ul>	
(4) Impact on the ability of CP members to comply with laws and rules relating to HUB/MWBE/SBE	0
(5) Vendor's safety record, including current OSHA safety report	#
(6) Whether Vendor's financial capability is appropriate to the size and scope of the project and the total long-term cost to HCDE/CP and CP members to acquire the products/services	5
(7) 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:	0
(A) has its principal place of business in this state; or (B) employs at least 500 persons in this state <sup>3</sup>	
(8) Vendor's past relationship with HCDE/CP and/or CP members, including Vendor's job order contracting relationship with HCDE/CP and/or CP members	5
(9) Marketing Plan	5
<b>TOTAL POSSIBLE POINTS:</b>	<b><u>100</u></b>

<sup>3</sup> As a general rule, HCDE/CP may not apply geographic preferences for procurements involving federal funds. See 2 C.F.R. § 200.319. However, HCDE/CP may apply an optional geographic preference in the procurement of unprocessed locally grown or locally raised agricultural products for use in a Child Nutrition Program. See 2 C.F.R. §§ 210 (National School Lunch Program), 215 (Special Milk Program for Children), 220 (School Breakfast Program), 225 (Summer Food Service Program), 226 (Child and Adult Care Food Program).



## 5.0 CONTRACT TERMS AND CONDITIONS

---

These Contract Terms and Conditions are part of the final contract in each product and/or service contract awarded as a result of this CSP and are part of the terms and conditions of each Purchase Order, Job Order, or proposal forms issued in connection with this CSP. Vendors are responsible for identifying any exceptions to these terms and conditions. **ANY EXCEPTIONS MUST BE NOTED DIRECTLY BELOW EACH OF THE RESPECTIVE TERMS AND CONDITIONS.** Proposals that are qualified with conditional clauses, items not called for, or other irregularities may be considered non-responsive by HCDE/CP and eliminated from further consideration.

### CONTRACT BETWEEN HARRIS COUNTY DEPARTMENT OF EDUCATION AND ("VENDOR") FOR JOB ORDER CONTRACTING, IDIQ PUBLIC WORK, MINOR CONSTRUCTION, MAINTENANCE, AND RENOVATION WORK

This Contract is entered into between HCDE/CP and Vendor, having submitted a proposal in response to this CSP issued by HCDE/CP and whose proposal has been accepted and awarded by HCDE. 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, HCDE/CP and Vendor, intending to be legally bound, and subject to the terms, conditions, and provisions of this Contract, agree as follows:

**5.1. Definitions**

The terms used in this Contract shall have the meanings assigned to them in **Section 1.0 Notice of Intent** of the CSP.

**5.2. Use of Contract by CP members**

Vendor agrees and understands that this CSP and Contract may be used to accomplish work for HCDE/CP, a local governmental entity. Vendor further agrees and understands that this CSP and Contract may also be utilized by CP members pursuant to the piggyback method, as contemplated in the U.S. Department of Agriculture Memorandum SP 35-2012, *Procuring Services of Purchasing Cooperatives, Group Purchasing Organizations, Group Buying Organizations, etc.* ("SP 35-2012). Vendor agrees and understands that CP members include "school food authorities," as that term is used in SP 35-2012.

**5.3. Contract Terms; Amendment**

The terms and conditions of this Contract shall govern all procurements conducted hereunder. No pre-published terms on Vendor's Purchase Order, acknowledgments, invoices, or other forms shall have any force or effect unless expressly agreed to by the CP member and Vendor. No amendment of this Contract shall be permitted unless and until first approved in writing by HCDE/CP and, if necessary, the CP member(s), and no such amendment shall have any effect unless and until a written amendment to this Contract is executed by the HCDE Superintendent or his designee after any necessary approvals have been obtained from the HCDE Board of Trustees. In the event that a Vendor has an existing HCDE/CP contract in the same contract title, upon award the new contract will immediately supersede the older contract.

**5.4. Term of Contract; Renewal of Contract**

The initial term of this Contract is for a period of one (1) year, with HCDE/CP having the option to renew the Contract for three (3) additional one-year terms, at HCDE's sole discretion, unless otherwise specified in **Section 6.0 Scope of Proposal**. Consequently, the total term of the Contract may be for a period of **four (4)** years. The phrase "Term" in this Contract shall mean the then-current Term of the Contract, whether an initial term or a renewal term.

**5.5. Termination of Contract; Survival**

This Contract shall remain in effect until (1) the Contract expires by its terms or (2) the Contract is terminated by mutual consent of HCDE/CP and Vendor. All Supplemental Contracts, purchase orders, and/or orders for goods or services issued by HCDE and/or CP members and accepted by Vendor shall survive the expiration or

termination of this Contract. During the term of any Supplemental Contract entered into between Vendor and a CP member, all terms of this Contract shall continue to apply to the Supplemental Contract.

In the event of a breach or default of the Contract and/or the CSP by Vendor, HCDE/CP reserves the right to enforce the performance of the Contract in any manner prescribed by law or deemed to be in the best interest of HCDE/CP and/or CP members. HCDE/CP further reserves the right to terminate the Contract immediately in the event Vendor fails to: (1) meet schedules, deadlines, and/or delivery dates within the time specified in the CSP, this Contract, and/or a Purchase Order; (2) make any payments owed; or (3) otherwise perform in accordance with this Contract and/or the CSP. HCDE/CP also reserves the right to terminate the Contract immediately, with written notice to Vendor, if HCDE/CP believes, in its sole discretion that it is in the best interest of HCDE/CP and/or CP members to do so.

In the event that a material change to the terms of the Contract occurs, then the Contract shall be allowed to expire and shall not be renewed upon the conclusion of the Contract's term. The phrase "material change" in this paragraph shall mean a modification that substantially exceeds the terms of the original contract between HCDE/CP and Vendor. Upon the expiration of the Contract's term, HCDE/CP may issue a new CSP for the goods or services procured under the previous contract.

Vendor agrees that HCDE/CP shall not be liable for damages in the event that HCDE/CP declares Vendor to be in default or breach of this Contract and/or the CSP. Vendor further agrees that upon termination of the Contract for any reason, Vendor shall, in good faith and with reasonable cooperation, aid in the transition to any new arrangement and/or Vendor.

#### 5.6. **Prevailing Wage Rates**

Vendor and all subcontractors of Vendor shall comply with all laws regarding prevailing wage rates, including, but not limited to, TEX. GOV'T. CODE Chapter 2258, applicable to the construction of a public work, and any related federal requirements, including the DAVIS-BACON ACT. In the event TEX. GOV'T. CODE Chapter 2258 applies to a product or service provided by Vendor to HCDE/CP or a CP member, Vendor and any subcontractor(s) shall comply with the prevailing wage rates set by HCDE/CP or the CP member.

#### 5.7. **Change Orders**

Pursuant to TEX. EDUC. CODE § 44.0411(a), for HCDE/CP and CP members that are Texas school districts, if a change in plans or specifications is necessary after the performance of a Purchase Order or Job Order has begun or if it is necessary to decrease or increase the quantity of work to be performed or of materials, equipment, or supplies to be furnished, the CP member may approve change orders making the changes. The total Purchase Order or Job Order price may not be increased because of the changes unless additional money for increased costs is approved for that purpose from available money or is provided for by the authorization of the issuance of time warrants. The CP member may grant general authority to an administrative official to approve the change orders. A Purchase Order or Job Order with an original contract price of \$1 million or more may not be increased under TEX. EDUC. CODE § 44.0411(a) by more than 25 percent. If a change order for a Purchase Order or Job Order with an original contract price of less than \$1 million increases the contract amount to \$1 million or more, the total of the subsequent change orders may not increase the revised contract amount by more than 25 percent of the original contract price.

#### 5.8. **Compliance with Laws**

Vendor shall comply with all applicable federal, state, and local laws, statutes, ordinances, standards, orders, rules, and regulations, including, as applicable, workers' compensation laws; minimum and maximum salary and wage statutes and regulations; prompt payment and licensing laws and regulations; anti-discrimination statutes and regulations (Title VI of the Education Amendments of 1972; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; Title 7 C.F.R. Parts 15, 15a, and 15b; the Americans with Disabilities Act; and FNS Instruction 113-1, Civil Rights Compliance and Enforcement—Nutrition Programs and Activities); the Davis-Bacon Act (40 U.S.C. § 276a / 29 CFR Part 5); the Copeland "Anti-Kickback" Act (18 U.S.C. § 874 / 29 CFR Part 5); the Equal Opportunity Employment requirements (Executive Orders 11246 and 11375 / 41 CFR Chapter 60); the McNamara-O'Hara Service Contract Act (41 U.S.C. 351); Section 306 of the Clean Air Act (42 U.S.C. § 1857h); Section 508 of the Clean Water Act (33 U.S.C. § 1368); Executive Order 11738, Environmental Protection Agency regulations (40 CFR Part 15); the Contract Work Hours and Safety Act (40 U.S.C. § 3701-

3708; 29 C.F.R. Part 5; the Solid Waste Disposal Act (Section 6002 as amended by the Resource Conservation and Recovery Act for procuring solid waste management services in a manner that maximizes energy and resource recovery when contract amount is in excess of \$10,000); the Education Department General Administrative Regulations (“EDGAR”) (2 C.F.R. Part 200); mandatory standards and policies contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871); and all applicable requirements and regulations, including those related to reporting, patent rights, copyrights, data rights, and those mandated by federal agencies making awards of federal funds to HCDE/CP and/or CP members, including, without limitation, the U.S. Department of Agriculture and/or Texas Department of Agriculture. Vendor understands that Vendor is ineligible to receive a contract award with HCDE/CP if Vendor or its principal(s) is listed on the government wide exclusions in the System for Award Management (Debarment and Suspension Orders Executive Orders 12549 and 12689) or is 30 days or more delinquent in paying child support (Tex. Fam. Code § 231.006). For the entire duration of this Contract, Vendor and all subcontractors shall maintain all required licenses, certifications, permits, and any other documentation necessary to perform this Contract. All permits will be acquired by Vendor and invoiced to the CP member at cost as part of the Purchase Order, unless the permits are provided by the CP member. For the entire duration of this Contract, Vendor and all subcontractors shall also comply with all requirements pertaining to local, state, or federal health and safety certifications, licensing, or regulations. Vendor must comply with all state and local building code requirements unless otherwise specifically provided in the CP member’s Purchase Order, and Vendor must pay all fees and charges for connections to outside services and for use of property outside the project site. The states of individual CP members may have regulations and laws that govern payment retention and progress payments for public projects. Vendor is responsible for being acquainted with and complying with each state’s requirements. When required or requested by HCDE/CP or a CP member, Vendor shall furnish HCDE/CP and/or the CP member with satisfactory proof of Vendor’s compliance with this provision.

**5.9. Confidentiality**

Vendor and HCDE/CP agree to secure the confidentiality of all information and records in accordance with applicable federal and state laws, rules, and regulations. Vendor and HCDE/CP understand that the Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g, governs the privacy and security of educational records and information and agree to abide by FERPA rules and regulations, as applicable. Vendor also acknowledges that HCDE/CP and numerous CP members are subject to the Texas Public Information Act, and Vendor waives any claim against and releases from liability HCDE/CP and CP members, their respective officers, employees, agents, and attorneys with respect to disclosure of information provided under or in this Contract or otherwise created, assembled, maintained, or held by Vendor, HCDE, or a CP member and determined by HCDE/CP or the CP member, the Attorney General of Texas, or a court of law to be subject to disclosure under the Texas Public Information Act.

**5.10. Performance and Payment Bonds**

Vendor agrees to provide performance bonds and/or payment bonds as required by law, based on the amount or estimated amount of any Purchase Order or Job Order for a public work contract, which is defined as a contract for constructing, altering, or repairing a public building or carrying out or completing any public work. TEX. GOV’T. CODE §§ 2253.001(4); 22269.411. Pursuant to TEX. GOV’T. CODE § 2253.021, a performance bond is required if a Purchase Order is in excess of \$100,000 for CP members that are governmental entities subject to Chapter 2253; a payment bond is required if a Purchase Order or Job Order is in excess of \$25,000 for CP members that are governmental entities subject to Chapter 2253 and are not municipalities or a joint board created under Subchapter D, Chapter 22 of the Tex. Transp. Code, and a payment bond is required if a Purchase Order or Job Order is in excess of \$50,000 for CP members that are governmental entities subject to Chapter 2253 and are municipalities or a joint board created under Subchapter D, Chapter 22 of the TEX. TRANSP. CODE.

**5.11. Title and Risk of Loss**

Whenever HCDE/CP or a CP member is purchasing (and not leasing) a product under this Contract, title and risk of loss shall pass upon the later of HCDE/CP or the CP member’s acceptance of the product or payment of the applicable invoice.

**5.12. Warranty Conditions**

All product(s) and/or service(s) provided by the Vendor under this Contract must be warranted to be free from defects in material, workmanship, and free from such defects in design for a period of one (1) year upon the later

of HCDE's or the CP member's acceptance of the product and/or service or payment of the applicable invoice. Vendor warrants that all products and/or services furnished under this Contract shall conform in all respects to the terms of this Contract, including any drawings, specifications, and/or standards incorporated herein, including, without limitation, those detailed in the CSP and Purchase Order. In addition, Vendor warrants that products and/or services are suitable for and will perform in accordance with the purposes for which they are intended. Vendor shall assume all liabilities incurred within the scope of consequential damages and incidental expenses, as set forth in the Vendor or manufacturer's warranty, which result from either delivery or use of product, which does not meet the specifications within this Contract, the CSP, or Purchase Order.

**5.13. Criminal History Review**

**Section 10.0 Attachment–SB 9 Contractor Certification: Contractor Employees (Required) and Attachment–SB 9 Contractor Certification: Subcontractor Form (If Applicable) must be submitted with packet, if applicable.**

Prior to commencing any work under the Contract, if Vendor contracts with HCDE/CP to provide services, Vendor must certify, on the form provided herein, that for each covered employee of Vendor who will have direct contact with students, Vendor has obtained, as required by TEX. EDUC. CODE Section 22.0834: (a) state criminal history record information from a law enforcement or criminal justice agency or a private entity that is a consumer reporting agency governed by the Fair Credit Reporting Act (15 U.S.C. Section 1681 et seq.) for each covered employee of Vendor employed before January 1, 2008; and (b) national criminal history record information for each employee of Vendor employed on or after January 1, 2008. Vendor must also obtain similar certifications of compliance with TEX. EDUC. CODE, Chapter 22 requirements from any subcontractors on the form provided herein. Covered employees with disqualifying criminal history are prohibited from serving at HCDE/CP or at CP school district members' locations; Vendor and any subcontracting entity may not permit a covered employee to provide services at a school if the employee has been convicted of a felony or misdemeanor offense that would prevent a person from being employed under TEX. EDUC. CODE § 22.085(a) (i.e., Title 5 felony or an offense requiring registration as a sex offender and victim was under 18 years of age or was enrolled in a public school at the time the offense occurred). Covered employees do not include employees of a contracting or subcontracting entity that is providing engineering, architectural, or construction services on a project to design, construct, alter, or repair a public work if: (1) the public work does not involve the construction, alteration, or repair of an instructional facility as defined by Texas Education Code Section 46.001; (2) the employee's duties will be completed more than seven (7) days before a new instructional facility will be used for instruction; or (3) for an existing instructional facility, the work area contains sanitary facilities separated from all areas used by students by a fence at least six (6) feet high, and the Contractor adopts, informs employees of, and enforces a policy prohibiting employees and any subcontractor's employees from interacting with students or entering areas used by students. Tex. Educ. Code §§ 22.0834(a-1), .08341. The criminal history record information review obligation applies only if Vendor contracts with HCDE/CP to provide services; it does not apply to a contract for the purchase of goods, products or real estate.

**5.14. Customer Support**

Vendor shall provide timely and accurate technical advice and sales support to HCDE/CP staff, and CP members. Vendor shall respond to requests for customer support within one (1) business day after receipt of the request. Vendor shall provide training to HCDE/CP staff and/or CP members regarding products and/or services supplied by Vendor, at no additional charge, if requested by HCDE/CP or a CP member.

**5.15. HCDE/CP and/or CP members' Property**

In the event of loss, damage, or destruction of any property owned by or loaned by HCDE/CP or a CP member that is caused by Vendor or Vendor's representative, agent, employee, or contractor, Vendor shall indemnify HCDE/CP or the CP member and pay to HCDE/CP or the CP member the full value of or the full cost of repair or replacement of such property, whichever is greater, within thirty (30) days of Vendor's receipt of written notice of HCDE's or the CP member's determination of the amount due. If Vendor fails to make timely payment, HCDE/CP or the CP member may obtain such money from Vendor by any means permitted by law, including, without limitation, offset or counterclaim against any money otherwise due to Vendor by HCDE/CP or the CP member.

**5.16. Tax Exempt Status**

HCDE/CP and all CP members that are Texas governmental entities or agencies are exempt from payment of Texas State Sales Taxes under TEXAS TAX CODE§ 151.310 for the purchase of tangible personal property. Laws of other states govern the tax status of CP members in states other than Texas. Vendor represents and warrants that it shall pay all taxes or similar amounts resulting from this Contract, including, without limitation, any federal, state, or local income, sales or excise taxes of Vendor or its employees. HCDE/CP and CP members shall not be liable for any taxes resulting from this Contract, except where otherwise required by law.

**5.17. Other State Tax Requirements**

5.17.1. Payment of Taxes by CP members Outside of Texas – CP members outside of Texas will pay only the rate and/or amount of taxes identified in Vendor's proposal submitted in response to the CSP as appropriate to the specific CP member.

5.17.2. State and Local Transaction Privilege Taxes – The CP member is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sales of products and are the sole responsibility of Vendor, as the seller, to remit. Failure to remit taxes from HCDE/CP and/or the CP member, as the buyer, does not relieve Vendor, as the seller, from its obligation to remit taxes.

**5.18. State of Texas Franchise Tax**

By submitting a proposal in response to the CSP, Vendor certifies that Vendor is not currently delinquent in Vendor's payment of any franchise taxes or other taxes owed to the State of Texas.

**5.19. Tax Responsibilities of Vendor and Indemnification for Taxes**

Vendor is responsible for complying with the tax laws of states and the federal government. Vendor and all subcontractor(s) of Vendor shall pay all federal, state, and local taxes applicable to Vendor's operation, any persons employed by Vendor, and all subcontractors of Vendor. Vendor shall require all subcontractors to hold HCDE/CP and the CP member harmless from any responsibility for taxes, damages, and interest. If applicable, contributions required under federal, state, and/or local laws and regulations and any other costs, including, but not limited to, transaction privilege taxes, unemployment compensation insurance, Social Security, and Worker's Compensation, shall be the sole responsibility of Vendor.

**5.20. IRS W-9**

To receive payment under this Contract, Vendor shall have a current I.R.S. W-9 Form on file with the CP member.

**5.21. Assignment of Contract**

Vendor may not assign this Contract or any of its rights, duties or obligations hereunder without the prior written approval of HCDE. Any attempted assignment of this Contract by Vendor shall be null and void. Any Purchase Order or Job Order made as a result of this Contract may not be transferred, assigned, subcontracted, mortgaged, pledged, or otherwise disposed of or encumbered in any way by Vendor without the prior written approval of HCDE/CP and, if applicable, the CP member.

**5.22. Notification of Material Change**

Vendor is required to notify HCDE/CP when any material change in operations occurs, including changes in distribution rights for awarded products, bankruptcy, material changes in financial condition, change of ownership, and the like, within three (3) business days of such change.

**5.23. Performance**

Vendor agrees to use commercially reasonable best efforts to provide the product(s) and/or service(s) subject to this Contract. Vendor shall furnish all supervision, labor, tools, equipment, permits, licenses, transportation, insurance, material, and supplies necessary to complete any scope of work, Purchase Order, or Job Order under this Contract. Vendor shall use skilled, trained personnel, who shall be supervised by Vendor.

**5.24. Subcontractors**

If Vendor uses subcontractors in the performance of any part of this Contract, Vendor shall be fully responsible to HCDE/CP and CP members for all acts and omissions of the subcontractors. Nothing in this Contract shall

create for the benefit of any such subcontractor any contractual relationship between HCDE/CP and any such subcontractor, nor shall it create any obligation on the part of HCDE/CP or CP members to pay or to see to the payment of any monies due any such subcontractor except as may otherwise be required by law. Vendor represents and warrants that it is willing, able, and capable of obtaining, supervising, and being responsible for any subcontractors who perform and/or provide products and services related to this Contract.

If Vendor uses subcontractors in the performance of any Purchase Order or Job Order issued as a result of a Job Order Contract awarded via this procurement solicitation, subcontractors must issue their Job Order Quotes using the same pricing method(s) outlined in the procurement solicitation and according to Texas Government Code Chapter 22269, Subchapter I, Job Order Contracts Method.

5.25. **Non-Appropriation**

Renewal of this Contract, if any, will be in accordance with TEX. LOCAL GOV'T. CODE § 271.903 concerning non-appropriation of funds for multi-year contracts. Notwithstanding any other provision of this Contract or obligation imposed on HCDE/CP or any CP member by this Contract, HCDE/CP and CP members shall have the right to terminate this Contract, any Supplemental Contract, Purchase Order, and/or Job Order without default or liability to Vendor resulting from such termination, effective as of the expiration of each budget period of HCDE/CP or any CP member if it is determined by HCDE/CP or any CP member, at their sole discretion, that there are insufficient funds to extend this Contract, any Supplemental Contract, any Purchase Order. The parties agree that this Contract, any Supplemental Contract, any Purchase Order, and/or any Job Order are commitments of the current revenue of HCDE/CP and CP members only.

5.26. **Ordering Procedures**

Purchase Orders/Job Orders are issued by HCDE/CP and/or CP members to the Vendor according to this Contract and any Supplemental Contract between HCDE/CP and the CP member. CP members must send Purchase Orders/Job orders to HCDE/CP, unless otherwise stipulated by HCDE/CP. HCDE/CP may request confirmation of receipt of the Purchase Order/Job Order from Vendor.

HCDE/CP also may elect to require e-commerce functionality, in which Purchase Orders/Job Orders are sent directly to Vendor and reported by the CP member to HCDE/CP on a specified basis. The e-commerce approach must be approved by HCDE/CP prior to the start date of any Term of the Contract.

5.27. **Invoices; Payments**

5.27.1. Vendor shall submit invoices, in duplicate, directly to HCDE/CP or the CP member at the appropriate location(s) specified by HCDE/CP or the CP member. Each invoice shall include HCDE's or the CP member's Purchase Order/Job Order number and HCDE/CP Contract Number. All invoices shall be itemized to include the type of product(s) and/or service(s) rendered. Vendor shall submit invoices within a timely manner during HCDE's or the CP member's fiscal year in which the product(s) and/or service(s) are purchased. The shipment tracking number or pertinent information for verification of HCDE's or the CP member's receipt shall be made available upon request by HCDE/CP or the CP member.

5.27.2. HCDE/CP or the CP member will make payments directly to Vendor. HCDE/CP or the CP member placing the Purchase Order/Job Order with Vendor shall alone be liable and/or responsible for payment for product(s) and/or service(s) ordered and must be invoiced directly by Vendor. Neither HCDE/CP nor any CP member shall be liable for the indebtedness of any one CP member.

5.27.3. TEX. GOV'T. CODE § 2251.021 shall govern when payments are due to the Vendor. Payments are due to Vendor by HCDE/CP and any CP member whose governing body meets only once a month or less frequently, **within forty-five (45) days** after the later of the following: (1) the date HCDE/CP or the CP member receives the products and services under the Contract; (2) the date the performance of the service under the Contract is completed; or (3) the date HCDE/CP or the CP member receives an invoice for the products or service. For CP members whose governing bodies meet more than once a month or more often, payments are due by those CP members **within thirty (30) days** after the later of the following: (1) the date the CP member receives product(s) under the Contract; (2) the date the

performance of the service under the Contract is completed; or (3) the date the CP member receives an invoice for product(s) or service(s). Vendor agrees to pay any subcontractors the appropriate share of the payment received from HCDE/CP or the CP member not later than the **tenth (10th) day** after the date the Vendor receives the payment from HCDE/CP or the CP member.

The exceptions to payments made by HCDE, a CP member, and/or Vendor listed in TEX. GOV'T. CODE § 2251.002 shall apply to this Contract.

**5.28. Reporting**

The Vendor shall provide HCDE/CP with a detailed monthly report showing the total dollar volume of all sales under this Contract for the previous month in Microsoft Excel format, in the format and with the information specified by HCDE/CP. Reports are due on the **fifteenth (15) day of the month**, after the close of the previous month and shall provide information regarding Purchase Orders/Job Orders during the previous month. Vendor is responsible for collecting and compiling all sales under this Contract from all CP members and submitting **one (1)** consolidated monthly report. The monthly report shall include, at a minimum, the date of each Purchase Order/Job Order, Purchase Order/Job Order number, CP member name, city/town, and Purchase Order total dollar amount. Reports shall be submitted in an electronic format to HCDE/CP at 6005 Westview, Houston, Texas 77055, or electronically mailed to [facilityreporting@choicepartners.org](mailto:facilityreporting@choicepartners.org).

The Vendor shall provide HCDE/CP with velocity/usage reports within five (5) business days of any request by HCDE/CP for such reports.

**5.29. Pricing Changes**

All prices and discount percentages in Vendor's proposal shall be firm for the Term of this Contract. Pricing may be negotiated during the Contract renewal period. In the event Proposer's prices will be adjusted or escalated upon a renewal (if any) of the fixed-price contract awarded pursuant to this RFP, Proposer must indicate such in its proposal. Any adjustment or escalation of the fixed price(s) will be based on the CPI index and may only be made at the time of contract renewal. Vendor agrees to promptly lower the proportionate price of any product purchased through this Contract following a reduction in the price the Vendor is paying suppliers. All pricing submitted to HCDE/CP in Vendor's proposal shall include the administrative fee to be remitted to HCDE/CP by Vendor. It is Vendor's responsibility to keep all pricing up-to-date and on file with HCDE/CP. All price changes shall be presented to HCDE/CP for acceptance or rejection by HCDE/CP, in its sole discretion, using the same format as was accepted in Vendor's original proposal; all price changes for products and/or services provided under this Contract must be approved, in writing, by HCDE/CP prior to taking effect.

The following documentation shall be provided to support a request for a price change:

- justification for change/increase
- terms and conditions
- market conditions
- manufacturers'/distributors' impact, if any

All price decreases shall be allowed for all products and/or services.

**5.30. HCDE/CP Administrative Fee**

HCDE/CP will invoice Vendor for the HCDE/CP Administrative Fee of **3%**, subject to the Administrative Incentive Clause, below. HCDE/CP reserve the right to modify the Administrative Fee at any time, upon notice to Vendor. The invoice for the Administrative Fee will be based on total sales made through this Contract. Vendor shall remit payment of the HCDE/CP Fee to HCDE/CP no later than **thirty (30)** days following the end of the month. Failure to pay the HCDE/CP Administrative Fee in a timely manner may result in Vendor breaching this Contract and may result in HCDE/CP suspending or terminating this Contract. Vendor shall honor and pay HCDE/CP the HCDE/CP Administrative Fee for any sales resulting from this Contract that occurred within **thirty (30) days** of the expiration or termination of this Contract. All rebates, discounts, and other applicable credits granted by Vendor as a result of any Supplemental Contracts entered into between Vendor and CP members shall accrue exclusively to CP member(s).

**Administrative Fee Incentive Clause.** The following incentives will be determined in the sole discretion of HCDE/CP and will be based on amounts actually billed by Vendor. Vendor's failure to abide by the Contract's terms and conditions, including, without limitation, Vendor's requirement to report sales to HCDE/CP, may result in HCDE/CP voiding the Administrative Fee Incentive, in HCDE/CP's sole discretion.

**One-Year Term(s)**

- **Gross sales above \$5M invoiced by Choice Partners = 2% for remainder of the then-current Contract Term**
- **Subsequent renewal 1-year Term = 2.75% and Vendor must maintain production of \$5M to keep 2.75% fee for the next subsequent renewal 1-year Term**

**Individual Job Orders**

- **\$2M or above = 2.5% only in the Contract Term in which they are invoiced**
- **\$1M or above = 2.75% only in the Contract Term in which they are invoiced**

5.31. **Records Retention**

Vendor shall maintain its records and accounts in a manner that shall assure a full accounting for all product(s) and/or service(s) provided by the Vendor to HCDE/CP and/or CP members under this Contract. These records and accounts shall be retained by Vendor and made available for review and copying by HCDE/CP and CP members for a period of **not less than three (3) years** from the date of completion of the service(s), receipt of product(s), the date of the receipt by HCDE/CP or the CP member of Vendor's final invoice or claim for payment in connection with this Contract, or the date HCDE/CP or the CP member makes final payments and closes pending matters in connection with a federal grant, whichever is later. If an audit or a compliance review has been announced, the Vendor shall retain its records and accounts until such audit or compliance review has been completed.

When federal funds are expended by HCDE or any CP member pursuant to this Contract, Vendor certifies that it will comply with the record retention requirements detailed in 2 CFR § 200.333. Vendor further certifies that Vendor will retain all records as required by 2 CFR § 200.333 for a period of three years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

5.32. **Right to Review, Audit and Inspect**

HCDE/CP, CP members, any federal agency that has awarded federal funds/grant(s) to HCDE/CP or a CP member, and the Comptroller General of the United States, and/or any of their authorized representatives, shall, upon written notice, have the right to audit and examine all of Vendor's records and accounts relating to this Contract and inspect any project performed by the Vendor relating to this Contract. Records subject to audit/review shall include, but are not limited to, all Purchase Orders and/or Job Orders resulting from this Contract and records which may have a bearing on matters in connection with the Vendor's work for HCDE/CP and/or CP members, and shall be open to inspection and subject to audit/review and/or reproduction by HCDE/CP, CP member, and/or their authorized representative(s) to the extent necessary to adequately permit evaluation and verification of:

5.32.1. Vendor's compliance with this Contract and the requirements of the CSP.

5.32.2. Compliance with procurement laws, policies, and procedures, including, without limitation, reviewing/comparing pricing on invoices and the appropriate Unit Price Book for JOC work performed for HCDE/CP and/or CP members.

5.32.3. Compliance with provisions for computing billings to HCDE/CP and/or to CP members.

5.32.4. Any other matter related to this Contract.



5.33. **Indemnification**

VENDOR SHALL INDEMNIFY AND HOLD HARMLESS HCDE/CP AND EACH CP MEMBER, INCLUDING HCDE'S AND CP MEMBERS' TRUSTEES, OFFICERS, ADMINISTRATORS, EMPLOYEES, AND AGENTS, FROM ALL CLAIMS, LIABILITIES, COSTS, SUITS OF LAW OR IN EQUITY, EXPENSES, ATTORNEYS' FEES, FINES, PENALTIES OR DAMAGES ARISING FROM ACTS OR OMISSIONS OF VENDOR, VENDOR'S EMPLOYEES, AGENTS, OR SUBCONTRACTORS, IN CONNECTION WITH THIS CONTRACT, INCLUDING WITHOUT LIMITATION, THOSE ARISING FROM CLAIMED INFRINGEMENT OF ANY PATENTS, TRADEMARKS, COPYRIGHT OR OTHER CORRESPONDING RIGHT(S) WHICH IS RELATED TO ANY ITEM VENDOR IS REQUIRED TO DELIVER. VENDOR'S OBLIGATIONS UNDER THIS CLAUSE SHALL SURVIVE ACCEPTANCE AND PAYMENT BY HCDE/CP OR THE CP MEMBER.

5.34. **Governing Law and Exclusive Venue**

The laws of the State of Texas, without regard to its provisions on conflicts of laws, govern this Contract. Any dispute under this Contract involving HCDE/CP must be brought exclusively in the state and federal courts located in Houston, Harris County, Texas. Any dispute not involving HCDE/CP but involving a CP member and Vendor shall be governed by the laws of the state of the CP member, without regard to its provisions on conflicts of laws, and exclusive jurisdiction and venue shall lie in the city, county, and state of the CP member.

5.35. **Multiple Contract Awards; Non-Exclusivity**

HCDE/CP reserves the right to award multiple contracts under the CSP, including multiple contracts for each product/service category. Product/Service categories are established at the sole discretion of HCDE/CP. Nothing in this Contract may be construed to imply that Vendor has the exclusive right to provide products and/or services to HCDE/CP and/or CP members. During the Term of this Contract, HCDE/CP and CP members reserve the right to use all available resources to procure other products and/or services as needed and doing so will not violate any rights of Vendor. In the event that a Vendor has an existing HCDE/CP contract in the same contract title, upon award the new contract will immediately supersede the older contract.

5.36 **New Products**

New products that meet the specifications detailed in the CSP may be added to this Contract, with prior written approval from HCDE/CP. Pricing of any new products shall be equivalent to the percentage discount or proposed prices for other similar products. Vendor may replace or add products to the contract if: the replacing products are equal to or superior to the original products offered or discounted in a similar degree or to a greater degree and the products meet the requirements of the CSP. No products may be added to avoid competitive procurement procedures. HCDE/CP may reject any proposed additions, without cause, in its sole discretion.

5.37. **No Substitution; Product Recall**

Any Purchase Order issued pursuant to this Contract shall conform to the specifications and descriptions identified in this Contract and the CSP. Vendor shall not deliver substitutes without prior written authorization from HCDE/CP or the CP member.

If a product recall is instituted on any good that has been furnished and delivered to HCDE/CP or any CP member, Vendor must immediately (i.e., within 24 hours but preferably sooner) notify the purchasing agent of HCDE/CP and the purchasing CP member by e-mail or in writing and must include all pertinent information relating to the recall. If Vendor is unable to contact the purchasing agent, Vendor must contact the Director of Purchasing of HCDE/CP and the purchasing CP member. Vendor will be responsible for all costs associated with replacing the recalled product, including replacement cost, shipping charges, etc. This requirement shall survive payment and acceptance of the goods.

5.38 **Penalties**

If the Vendor is unable to provide the product(s) or services at the prices quoted in Vendor's proposal or if Vendor fails to fulfill or abide by the terms and conditions of the Contract, the CSP, or a Supplemental Contract, HCDE/CP or the CP member may take the following action(s), in the sole discretion of HCDE/CP or the CP member, and Vendor agrees to comply with the chosen action(s):

- 5.38.1 Insist that the Vendor honor the quoted price(s) specified in Vendor's proposal or the Supplemental Contract, as applicable;
- 5.38.2 Have the Vendor pay the difference between the Vendor's price and the price of the next acceptable proposal, as determined by HCDE/CP or the CP member;
- 5.38.3 Have the Vendor pay the difference between Vendor's price and the actual purchase price of the product or service on the open market; and/or
- 5.38.4 Recommend to HCDE Board of Trustees that the Vendor no longer be given the opportunity to submit a proposal to HCDE/CP and/or that this Contract be terminated.

5.39. **Promotion of Contract Marketing Plan**

The marketing of Vendor's company, product, and/or services shall be the sole responsibility of Vendor. HCDE/CP may only supply Vendor with CP members' contact lists that contain name, address, phone numbers, and/or email addresses. Other items geared toward the joint-marketing of HCDE/CP and Vendor's company, product, and/or services shall be at HCDE/CP's sole discretion. Encouraging CP members to circumvent this Contract by purchasing directly from Vendor may result in suspension or termination of this Contract. For so long as this Contract is valid and enforceable between the parties, Vendor agrees to display the CP seal in its marketing collateral materials, such as Vendor's website and related marketing materials. Vendor shall submit all promotional materials to HCDE/CP and obtain written approval before Vendor finalizes or publishes promotional material bearing the HCDE/CP or HCDE/CP name or seal. Vendor may not release any press release or other publication regarding this Contract or HCDE/CP unless and until HCDE/CP first approves the press release or publication in writing.

5.40. **Website Support**

Vendor agrees to cooperate with HCDE/CP in publicizing contract particulars on the CP website. Vendor also agrees to work with HCDE/CP in updating and maintaining current information on Vendor activities related to the Contract on the CP website. Vendor agrees to provide an electronic version of its logo for use on the CP website upon Contract award and provide other information as reasonably requested by HCDE/CP to help ensure that the CP website is current and consistently updated.

5.41. **Safety**

Vendor, its subcontractor(s), and their respective employees shall comply fully with all applicable federal, state, and local safety and health laws, ordinances, rules, and regulations in the performance of services under this Contract, including, without limitation, those promulgated by HCDE/CP, CP members, and by the Occupational Safety and Health Administration ("OSHA"). In case of conflict, the most stringent safety requirements shall govern. Vendor shall comply with all other safety guidelines and standards as required by HCDE/CP or CP members. Vendor shall indemnify and hold HCDE/CP and/or the CP member harmless from and against all claims, demands, suits, actions, judgments, fines, penalties, and liability of every kind arising from the breach of Vendor's obligations under this provision.

5.42. **Workforce**

Vendor shall employ only orderly and competent workers, skilled in the performance of the services, if any, which shall be performed under this Contract. Vendor, its employees, subcontractors, and subcontractor's employees may not use or possess any firearms, alcoholic or other intoxicating beverages, illegal drugs or controlled substances while on the job or on HCDE/CP and CP members' property, nor may such workers be intoxicated or under the influence of alcohol or drugs on HCDE/CP and CP members' property.

5.43. **Supplemental Contracts**

A CP member and Vendor may enter into a separate, Supplemental Contract. Any Supplemental Contract developed as a result of this Contract and/or the CSP is exclusively between the CP member and Vendor and shall have no effect or impact on HCDE, any other CP member, or this Contract. Any Supplemental Contract between Vendor and a CP member is exclusively between that specific CP member and Vendor and will be subject to immediate cancellation by the CP member (without penalty to the CP member) if, in the opinion of the CP member, the quality, service, and specification requirements, and/or the terms and conditions are not maintained as stated in the Supplemental Contract. Vendor shall promptly notify HCDE/CP of any Supplemental Contract executed between Vendor and a CP member.

5.44. **Insurance**

Vendor is required to provide HCDE/CP and/or the CP member with copies of certificates of insurance, naming HCDE/CP and/or the CP member as additional insured's for Texas Workers Compensation and General Liability Insurance, **within 14 business days of contract award and prior to the commencement of any work under this Contract.** Certificates of Insurance, name and address of Vendor, the limits of liability, the effective dates of each policy, and policy number shall be delivered to HCDE/CP and/or the CP member prior to commencement of any work under this Contract. The insurance company insuring Vendor shall be licensed in the State of Texas or the state in which the CP member is located, and shall be acceptable to HCDE/CP and/or the CP member. Vendor shall give HCDE/CP or the CP member a **minimum of ten (10) days'** notice prior to any modifications or cancellation of said policies of insurance. Vendor shall require all subcontractors performing any work under or relating to this Contract to maintain coverage as specified below. Vendor shall, at all times during the Term of this Contract, maintain insurance coverage with not less than the type and requirements shown below. If the CP member has higher insurance requirements than those listed below, such may be added to the Purchase Order. Such insurance is to be provided at the sole cost of the Vendor. These requirements do not establish limits of Vendor's liability.

All policies of insurance shall waive all rights of subrogation against HCDE, CP members, and HCDE/CP and CP members' officers, employees and agents.

Upon request, certified copies of original insurance policies shall be furnished to HCDE/CP and/or to CP members.

HCDE/CP and the CP member, as requested, shall be named as an "additional insured" on insurance policies.

HCDE/CP and the CP member reserve the right to require additional insurance should HCDE/CP or the CP member deem additional insurance necessary, in their sole discretion.

- Workers Compensation (with waiver of subrogation to HCDE/CP and the CP member) Employer's Liability, including all states, U.S. Longshoremen, Harbor Workers and other endorsements.
- Statutory, and Bodily Injury by Accident: \$100,000 each employee. Bodily Injury by Disease: \$500,000, policy limit \$100,000 each employee.
- Commercial General Liability Occurrence Form including, but not limited to, Premises and Operations, Products Liability Broad Form Property Damage, Contractual Liability, Personal and Advertising Injury Liability and where the exposure exists, coverage for watercraft, blasting collapse, and explosions, blowout, cratering and underground damage. \$300,000 each occurrence Limit Bodily Injury and Property Damage combined. \$300,000 Products-Completed Operations Aggregate Limit \$500,000 per Job Aggregate. \$300,000 Personal and Advertising Injury Limit.
- Automobile Liability Coverage: \$300,000 Combined Liability Limits Bodily Injury and Property Damage Combined.

5.45. **Participation in HCDE/CP**

Vendor acknowledges and agrees that continued participation in the HCDE/CP cooperative purchasing program is subject to HCDE/CP's sole discretion and that Vendor may be removed from the HCDE/CP program at any time, with or without cause, in HCDE/CP's sole discretion. All work resulting from this Contract must cease immediately after completion of the final accepted Purchase Order/Job Order. Nothing in this Contract or in any other communication between HCDE/CP and Vendor may be construed as a guarantee that HCDE/CP or CP members will submit any Purchase Order/Job Order to Vendor at any time.

At a minimum, to continue participation in the HCDE/CP cooperative purchasing program, Vendor must:

- Submit detailed monthly reports of all sales activity (such report is required even if there is no sales activity for a given month);
- Timely remit Administrative Fee(s) to HCDE/CP;

- Market Choice Partners, including inclusion of CP seal on Vendor's website, development and execution of marketing plan, and participation in at least 5 of marketing events (such as trade shows and conferences) annually;
- Maintain a minimum annual sales activity of \$15,000;
- Completion of all required forms (such as Form 1295, EDGAR Certifications, etc.); and
- Maintain required insurance and submit updated certificate(s) to CP annually

5.46. **No Agency or Endorsements**

It is the intention of the parties to this Contract that Vendor is independent of HCDE/CP and CP members, is an independent contractor, and is not an employee, agent, joint venturer, or partner of HCDE/CP or any CP member. 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/CP and Vendor, any CP member and Vendor, HCDE/CP and any of Vendor's agents, or any CP member and any of Vendor's agents. Vendor has no power or authority to assume or create any obligation or responsibility on behalf of HCDE/CP or any CP member, and HCDE/CP and HCE members have no power or authority to assume or create any obligation or responsibility on behalf of Vendor. This Contract shall not be construed to create or imply any partnership, agency, or joint venture, nor shall it be construed or deemed an endorsement of a specific company or product. Vendor agrees that HCDE/CP and CP members have no responsibility for any conduct of any of Vendor's employees, agents, representatives, contractors, or subcontractors.

5.47. **Equal Opportunity**

It is the policy of HCDE/CP not to discriminate on the basis of race, color, national origin, gender, limited English proficiency or handicapping conditions in its programs. Vendor agrees not to discriminate against any employee or applicant for employment to be employed in the performance of this Contract, with respect to hire, tenure, terms, conditions and privileges of employment, or a matter directly or indirectly related to employment, because of age (except where based on a bona fide occupational qualification), sex (except where based on a bona fide occupational qualification) or race, color, religion, national origin, or ancestry. Vendor further agrees that every subcontract entered into for the performance of this Contract shall contain a provision requiring non-discrimination in employment herein specified, binding upon each subcontractor. Breach of this covenant may be regarded as a material breach of the Contract.

5.48. **Force Majeure**

Neither HCDE, any CP member, or Vendor shall be deemed to have breached any provision of this Contract as a result of any delay, failure in performance, or interruption of service resulting directly or indirectly from acts of God, network failures, acts of civil or military authorities, civil disturbances, wars, energy crises, fires, transportation contingencies, interruptions in third-party telecommunications or Internet equipment or service, other catastrophes, or any other occurrences which are reasonably beyond HCDE, any CP member, or Vendor's control.

HCDE, CP members, and Vendor are required to use due caution and preventive measures to protect against the effects of force majeure, and the burden of proving that a force majeure event has occurred shall rest on the party seeking relief under this provision. The party seeking relief due to force majeure is required to promptly notify the other parties in writing, citing the details of the force majeure event and relief sought, and shall resume performance immediately after the obstacles to performance caused by a force majeure event have been removed, provided the Contract has not been terminated. Delay or failure of performance, by either party to this Contract, caused solely by a force majeure event, shall be excused for the period of delay caused solely by the force majeure event. HCDE, CP members, and Vendor shall not have any claim for damages against any other party resulting from delays caused solely by force majeure. Notwithstanding any other provision of this Contract, in the event the Vendor's performance of its obligations under this Contract is delayed or stopped by a force majeure event, HCDE/CP shall have the option to terminate this Contract. This section shall not be interpreted as to limit or otherwise modify any of HCDE's or CP members' contractual, legal, or equitable rights.

5.49. **Severability**

In the event 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, illegal, or unenforceable provision had never been contained in it.

**5.50. Waiver**

No failure on the part of either party at any time to require the performance by the other party of any term hereof shall be taken or held to be a waiver of such term or in any way affect such party's right to enforce such term, and no waiver on the part of either party of any term hereof shall be taken or held to be a waiver of any other term hereof or the breach thereof. No waiver, alteration, or modification of any of the provisions of this Contract shall be binding unless in writing and signed by duly authorized representatives of the parties hereto.

**5.51. Entire Agreement**

The Contract, the CSP, Vendor's proposal submitted in response to the CSP, the attached and incorporated attachments, addendum, and/or exhibits, if any, and the Supplemental Contract, if any, contain the entire agreement of the parties relative to the purpose(s) of the Contract and supersede any other representations, agreements, arrangements, negotiations, or understandings, oral or written, between the parties to this Contract. In the event of a conflict between this Contract and the CSP or Vendor's proposal submitted in response to the CSP, this Contract shall control. In the event of a conflict between the CSP and Vendor's proposal submitted in response to the CSP, the CSP shall control. This Contract supersedes any conflicting terms and conditions on any Purchase Order/Job Order, invoices, checks, order acknowledgements, forms, purchase orders, or similar commercial documents relating hereto and which may be issued by Vendor after the Effective Date of this Contract.

In addition to this Contract, a Supplemental Contract between Vendor and the CP member may be established to further detail the terms and conditions of the CP member's specific project. In the event of a conflict between this Contract and the Supplemental Contract, as to HCDE, this Contract shall prevail. In the event of a conflict between this Contract and the Supplemental Contract, as to the CP member, the Supplemental Contract shall prevail unless the Supplemental Contract states otherwise.

**5.52. Interpretation**

Vendor agrees that the normal rules of construction that requires that any ambiguities in this Contract are to be construed against the drafter shall not be employed in the interpretation of this Contract.

**5.53. Notice**

Any notice provided under the terms of this Contract by the parties to any other shall be in writing and shall be given by hand-delivery or by certified or registered mail, return receipt requested. Notice shall be sufficient if made or addressed to the party at the address listed in the signature line of this Contract. Notice shall be deemed effective upon receipt. Each party may change the address at which notice may be sent to that party by giving notice of such change to the other party by certified mail, return receipt requested.

**5.54. Captions**

The captions herein are for convenience and identification purposes only, are not an integral part hereof, and are not to be considered in the interpretation of any part hereof.

**5.55. Certifications**

Vendor hereby certifies that it is not a company identified on the Texas Comptroller's list of companies known to have contracts with, or provide supplies or services to, a foreign organization designated as a Foreign Terrorist Organization by the U.S. Secretary of State. Vendor further certifies and verifies that neither Vendor, nor any affiliate, subsidiary, or parent company of Vendor, if any (the "Vendor Companies"), boycotts Israel, and Vendor agrees that Vendor and Vendor Companies will not boycott Israel during the term of this Agreement. For purposes of this Agreement, the term "boycott" shall mean and include terminating business activities or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory.

Vendor certifies and agrees that it shall not assist an employee, contractor, or agent of HCDE or of any other school district in obtaining a new job if the Vendor knows, or has probable cause to believe, that the individual

engaged in sexual misconduct regarding a minor or student in violation of the law. Routine transmission of an administrative or personnel file does not violate this prohibition. *See* HCDE Policy CJ (Legal) and (Local).

#### 5.56.1 **USDA/TDA Special Terms and Conditions**

The following terms and conditions apply to all procurements and purchases involving federal School Nutrition Program funds. In the event of a conflict or inconsistency between the following terms and conditions and any provision of the Agreement, the procurement solicitation issued by HCDE, or the portion of Vendor's proposal submitted in response to HCDE's procurement solicitation that is satisfactory to HCDE, the following terms and conditions shall control.

##### **5.56.1. Market Basket Analysis**

HCDE/CP reserves the right, in its sole discretion, to use a "Market Basket Analysis" method, as that term is defined by applicable USDA/TDA regulations and guidance. The Market Basket Analysis sample is established to represent 75% of the total estimated value of the Contract. The most recent velocity/sales report(s) from HCDE/CP's current supplier(s) was used to project the balance of the year and adjusted for any estimated change in menu and participation for the following year. As a result, this list of [100] goods to be purchased under this procurement solicitation and any resulting Contract includes the top [60] goods purchased by dollar volume representing the 75% threshold. Prices for the remaining [40] goods listed in this procurement solicitation should also be included, though they will not be a part of the Market Basket Analysis. The Market Basket Analysis shall not be used for service or equipment contracts/procurement solicitations or for Fee-For-Service Processing contracts.

##### **5.56.2 Material Change**

If a material change (as the term is defined by TDA rules and regulations) to a contract entered into between HCDE/CP and Vendor occurs, then the contract will not be renewed upon the conclusion of its term. Upon the expiration of the term, HCDE/CP may issue a new RFP for the goods or services procured under the previously-existing contract. Material change for purposes of this Section 5.56.2 means a modification that substantially exceeds the terms of the original contract between HCDE/CP and Vendor.

##### **5.56.3 Supplemental Contracts**

Supplemental Contracts are entered into pursuant to the piggyback method delineated in the U.S. Department of Agriculture directive SP 35-2012. Should the "piggybacking" result in a material change to the Contract, HCDE/CP will proceed under Section 5.56.2 of this RFP.

##### **5.56.3 New Products**

During the Term of a Contract awarded under this RFP, additional purchases not included in the original RFP list and resulting awarded contract may become necessary and benefit HCDE/CP members. Vendor and HCDE/CP agree that the aggregate value of added purchases during each year of the Contract (if renewed) shall not exceed 10% of the estimated total value of the Contract. The total value of the Contract must be agreed upon, and the dollar value listed in the Contract and each renewal term of the Contract (if any). For purposes of this section, the total value of the Contract includes all contracts awarded as a result of the procurement solicitation to all vendors. For the initial Term of a Contract awarded under this RFP, Vendor and HCDE/CP agree that the total value of the Contract shall be \$ [REDACTED]. Additions of new products may be included in the awarded Contract list during the renewal of the Contract through an amendment to the Contract, and the total Contract value adjusted accordingly. For each renewal term of the Contract, the total actual value of the Contract in the preceding year and the additional new product(s) made during that Term will be the basis for determining the maximum dollar amount (not to exceed 10%) of the additional new product(s) that will be allowed during the next Contract renewal term.

##### **5.56.4 Bonds**

Vendor shall provide all bonds, including bid guarantee, performance bond, and payment bond, as applicable under U.S. Department of Agriculture and/or Texas Department of Agriculture rules.

##### **5.56.5 Use by Other Governmental Entities**

In the event that HCDE/CP allows other governmental entities to "piggyback" onto any existing contract between HCDE and Vendor entered into pursuant to this procurement solicitation, Vendor agrees and understands that

such other governmental entities may include “school food authorities,” as that term is used in SP 35-2012. Should the “piggybacking” result in a material change to the Agreement for purposes of USDA/TDA purchases, HCDE/CP will proceed under the foregoing section entitled “Material Changes.”

#### **5.56.6 No Guarantee of Quantities**

Quantities for purchases paid for with School Nutrition Program funds are subject to change for various reasons, which include, but are not limited to the following: USDA commodity allocation(s), variations in student population, production item substitution(s), changes in consumer taste or expectations, pricing, and nutrition regulatory changes.

#### **5.56.7 Buy American Act**

The Buy American Act, set forth in 7 C.F.R. Part 210.21(d), requires that participants in the National School Lunch Program and School Breakfast Program use the federal nonprofit food service funds, to the maximum extent practical, to buy domestic commodities or products for Program meals. 7 CFR Part 210.21(d) defines a “domestic commodity or product” as one that is either produced in the U.S. or is processed in the U.S. substantially using agricultural commodities that are produced in the U.S. “Substantially” means that over 51 percent of the final processed product consists of agricultural commodities that were grown domestically.

Because many HCDE/CP members participate in the National School Lunch Program and School Breakfast Program, HCDE/CP requires Vendor to certify whether its products are “domestic commodities or products”, as defined by 7 C.F.R. Part 210.21(d). Accordingly, Vendor agrees to provide certification and any necessary documentation requested by HCDE/CP member that the food product was processed in the U.S. and the percentage of U.S. content, by weight or volume, in the food component of processed food products supplied to HCDE/CP members. When USDA Foods items are manufactured into processed end products, 51% of resulting food products must be of United States origin.

Exceptions to the Buy American provision should be used as a last resort; however, an alternative or exception may be approved by the CP member, upon request. To be considered for an exception to the Buy American provision, Vendor may submit a good faith request for an exception, certifying that Vendor reasonably believes that:

- (a) the product is not produced or manufactured in the U.S. in sufficient and reasonable available quantities of a satisfactory quality (i.e., there is no alternative source that can provide a domestic product and/or there is no substitute domestic food product for this food product); and/or
- (b) the costs of a U.S. product are significantly higher than the non-domestic product (i.e., the cost difference in purchasing a domestic product is unreasonable).

Vendor further agrees to provide HCDE/CP members with documentation verifying that a domestic product is not available and the cost range is reasonable within a reasonable time upon request by HCDE/CP members.

In the event Vendor or Vendor’s supplier(s) are unable or unwilling to certify compliance with the Buy American Provision, or the applicability of an exception to the Buy American provision, HCDE/CP members may decide not to purchase from Vendor and/or HCDE/CP may terminate this Contract if Vendor is incapable of fulfilling the terms and conditions of the Contract, including the Buy American requirements.

Additionally, HCDE/CP members may require country of origin on all products and invoices submitted for payment by Vendor, and Vendor agrees to comply with any such requirement.

#### **5.56.8 Records Retention**

When school nutrition program funds are expended by HCDE or any CP member pursuant to this Contract, Vendor certifies that it will comply with the record retention requirements promulgated by USDA/TDA. Vendor further certifies that Vendor will retain all records as required by USDA/TDA for a period of five (5) years after the end of the fiscal year to which the documentation/records pertain. Vendor further certifies that these records must be accessible to appropriate HCDE/CP member and federal or state reviewers. *See TDA ARMS Manual, 17.107.*

## 6.0 SCOPE OF PROPOSAL

---

- 6.1. It is the intention of HCDE/CP to establish one or more contracts as a result of this Job Order Contracting CSP for use by HCDE/CP and CP members for job order contracting, including the maintenance, repair, alteration, renovation, remediation, or minor construction of a facility when the work is of a recurring nature but the delivery times, type, and quantities of work are indefinite.
- 6.2. Vendors are required to submit a **coefficient proposal** based on their products and services as listed in the Unit Price Book(s) based on the CSI's Master Format Division Numbers. The coefficient should include the provision of reasonable oversight by Vendor. **The Vendor's coefficient proposal shall include all overhead items**, including but not limited to, vehicles and fuel, communication equipment, computers, printers, programs, insurance, transportation, maintenance, CP Fee, final site cleanup and all contingencies. Vendor should also include as part of its coefficient those services that are required to obtain building permits and meet local and state standards for design and oversight. Services may be provided via Vendor's own staff, subcontractors, or working with the CP Member's managers, architects and engineers, wherever such professional architectural and engineering services are required. **If no coefficient is included in Vendor's proposal, HCDE/CP will assume it is 1.0.**

Selection of architects, engineers, and other professional services shall be in accordance with applicable law, including Chapter 2224 of the Texas Government Code. If a Job Order or an order issued under this JOC/CSP requires **architectural or engineering services** that constitute the practice of architecture within the meaning of Chapter 1051, Texas Occupations Code, or the practice of engineering within the meaning of Chapter 1001, Occupations Code, the CP Member must select or designate the architect or engineer to prepare the construction documents for the project. This requirement does not apply to a Job Order contract or an order issued under this JOC/CSP for industrialized housing, industrialized buildings, or relocatable educational facilities subject to and approved under Chapter 1202, Texas Occupations Code, if the Vendor employs the services of an architect or engineer who approves the documents for the project. TEX. GOV'T. CODE § 2269.408.

### 6.3 Job Order Process for JOCs

- 6.3.1. The CP Member may make a **JOB ORDER QUOTE REQUEST** of a Vendor via phone, the web, e-mail, fax, or in person. The Vendor may not refuse to perform any project requested by a CP member unless such project is unlawful. Upon notification of a pending request, the Vendor shall make contact with the CP Member as soon as possible, but at least within two business days. As projects are identified, the Vendor will participate in a joint scope meeting, at which time a Job Order Quote Request for the individual project(s) will be explained to the Vendor and the Vendor will be provided an opportunity to ask questions and inspect the site. If necessary or requested by the CP member, Vendor shall visit the CP member's site and conduct a walk-through/project scoping with the CP Member's representative to define the Scope of Work. Vendor shall perform due diligence to request and gather pertinent information, including existing conditions and CP Member documents, including, but not limited to, hazardous materials surveys and other relevant documents.

**Conditions Affecting the Work.** Vendor is responsible for having taken steps reasonably necessary to ascertain the nature and location of the work and the general and local conditions that can affect the work or its costs. Any failure by the Vendor to have done so does not relieve the Vendor from responsibility for successfully performing the work without additional expense to the CP Member. Vendor shall promptly, and before conditions are disturbed, give written notice to the CP Member of (1) subsurface or latent physical conditions at the site that differ materially from those indicated in the Purchase Order, Job Order, drawings, or specifications; or (2) unknown physical conditions at the site of an unusual nature that differ materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Purchase Order, Job Order, drawings, or specifications. By beginning any portion of the work, Vendor acknowledges that Vendor is satisfied as to the character, quality, and quantity of surface and subsurface materials or obstacles to be encountered insofar as this information is reasonably ascertainable from an inspection of the site, including all exploratory work done by the CP Member, as well as from the drawings and specifications. The CP Member assumes no responsibility for any understandings or representations concerning conditions made by any of its officers or agents before execution of this Contract or a Purchase



Order or Job Order, unless such understanding or representations by the CP Member are expressly stated in the Purchase Order or Job Order.

**Record “As Built” Drawings (if any).** Vendor shall review all drawings furnished to Vendor immediately upon receipt and shall promptly notify the CP member of any discrepancy. Vendor shall compare all drawings and verify the figures before laying out the work and will be responsible for any errors that may have been avoided thereby. Throughout the progress of the work, the Vendor must keep a master set of prints on the job site, on which is kept a complete, careful and neat record of all deviations from the drawings made during the course of the work. Any deviation from the drawings or specifications made by Vendor without prior written approval from the CP member (or HCDE, if the work is for HCDE) shall be at Vendor’s own risk and expense.

Upon completion of construction, the “as built” prints must be certified as to their correctness by the signature of the Vendor and turned over to the architect/engineer of record for use in preparing a permanent set of “as built” drawings within thirty (30) calendar days after completion of construction.

In addition to reproducible submissions, the Vendor should submit a CADD system (when requested) electronic file for “as built” documents prepared with a CADD system compatible with the CP Member’s CADD system identified by the CP Member’s representative. The CP Member reserves the right to review “as built” documents at any time. Costs associated with the preparation and completion of the “as built” drawings shall be part of the Vendor’s multiplier.

**Materials and Workmanship.** Unless otherwise specifically provided in a Purchase Order, Job Order or Supplemental Contract, all equipment and materials incorporated in the work must be new and of the most suitable grade for the purpose intended. Unless otherwise specifically provided, reference to any equipment, material, or patented process by brand name, make, or catalog number establishes a standard of quality only. Vendor may substitute any equipment, material, or process that the CP Member finds to be equal to that named. To obtain approval to use a different equipment, material, or process, the Vendor must furnish the CP Member with the manufacturer’s name, the model number, and other identifying data and information regarding the capacity, nature, rating, and performance of the proposed substitute. If requested by the CP Member, samples must be submitted for approval at the Vendor’s expense, shipping charges prepaid. Materials or processes substituted without approval may be rejected. Vendor shall be responsible for all materials delivered and work performed until completion and acceptance of the entire work by the CP Member, except for any completed unit of work which may have been previously accepted by the CP Member.

Vendor must obtain the CP member’s approval of the machinery and mechanical equipment incorporated into the work. Vendor must submit samples of all materials and equipment as directed by the CP member or as required by the JOC/CSP.

All work must be performed in a skillful and workmanlike manner. The CP member may, in writing, require the Vendor to remove from the work any employee the CP member deems incompetent, careless, or otherwise objectionable.

**Associated Project Support Requirements.** Vendor shall remove movable desks and furniture in the work area and place such items back in the required location upon completion of the work. The purchase, delivery, and storage of project construction materials must not interfere with the CP member’s operations.

Vendor must provide to his project offices, with minimal down time (24 hours service calls), a computer system with applicable software, including Microsoft Office, unaltered JOC project estimating software that is compatible with the most current utilized edition of RS Means, and the current edition of National Construction Estimator.

Vendor is required to furnish and maintain a field office in an awarded region, at the Vendor’s expense. Utilities and water at the job sites will be furnished to the Vendor at the CP member’s expense. Upon project completion, Vendor shall remove the utility and water connections at the direction of the CP member. Vendor is responsible for analyzing its electrical needs and the ability of CP member to accommodate such. Vendor shall communicate and coordinate his utility and water requests to the CP member. If additional capacity is

required above and beyond the capacity that the CP member is able to provide, Vendor is responsible for arranging for the equipment, installation, and removal at Vendor's own expense. If possible, toilet facilities will be made available by the CP member, or the Vendor will make arrangements for portable toilets.

- 6.3.2. The Vendor will prepare a **JOB ORDER PROPOSAL** for the project, including a price proposal (based on the bid coefficient applied to the UPB), schedule, written Scope of Work, including the UPB and the UPB's 12-digit line number and unit description, using an automated software system that will provide a line item estimate of the individual tasks, the quantities, the city cost index, Vendor's bid coefficient, and any applicable Pass Through cost additions, and additional items within the scope of this JOC/CSP and Vendor's response to the JOC/CSP. The line items taken from the UPB and the estimated quantities totaled will be modified with the application of the city cost index and the contractor's coefficient. Any adjustment factors from division one will be added to establish the final price as agreed to for the project. Cost adjustment factors, as allowed, must clearly identify those individual tasks (line items) to which they are applicable and include corresponding percentage. Each Job Order Quote shall be good for a period of 30 days unless an extension is agreed to by Vendor and the CP Member.

In preparing the Job Order Proposal, including estimating line items for a Job Order, the Vendor shall endeavor not to micro-estimate line items. Micro-estimating is the intentional breaking down of projects into their smallest components when a single line item or two would suffice. An example is the need to replace a door where a pre-hung door and frame would be the fastest and cheapest route to use. Instead of the single line item defining the pre-hung door, the estimator breaks down this portion of the job into individual line items such as door frame, hinges and screws, which unnecessarily increases the cost to the CP Member. Vendors shall not micro-estimate, and evidence of micro-estimating will be evaluated during HCDE/CP's contract compliance audit/review.

EXAMPLE: Using sample figures from a Job Order Quote, the total cost with all of the adjustments would be as follows:

Total of divisional line items based on the quantities and unit prices from the Unit Price Book, including the OH&P column			\$500,000
City Cost Index:	0.91 adjusted		\$455,000
Bid Coefficient:	0.82 adjusted		\$373,000
Premium Hours:			N/A
Davis Bacon Act:			N/A
TOTAL COST (as adjusted):			\$373,000

When providing UPB costs as part of a Job Order Proposal, Vendor shall adhere to the following:

- UPB's quotes must use the current edition.
- All work proposed under the UPB method must use the UPB format, even if subcontractors are used to do the work. Subcontractor's invoices must align to the UPB spreadsheet.
- A line item estimate **must** be submitted to substantiate the quote/Job Order Proposal given to the CP Member. Vendors must ensure that the line item estimates are expanded to show the full UPB number or a sufficient amount of the description.
- Pricing **must** be done by City Cost Index. National Average will not be allowed. To select the "closest" city cost index, the first three (3) numbers of the zip code will be used to determine the city cost index in each state. The same criteria are used by UPB.
- Vendor's bid co-efficient, bonding and permit costs, and sales taxes, if applicable, must be shown as separate line items at the bottom of the UPB line item estimate. This information may be handwritten or typed on the line item estimate or may be shown on a separate summary sheet. The summary sheet must start with the line item estimate total and show the detail for each of the items stated above.
- All change orders which list items covered by the UPB must be supported by a UPB line item estimate.

#### **Alternative Costing/Non Pre-Priced Items**

If a project/Job Order requires materials and/or services that are not covered by the UPB (i.e., Non Pre-Priced Items), the Vendor may obtain three (3) written cost proposals from local providers. The Vendor must use the most advantageous cost proposal and may add its normal and customary markup and overhead provided as part of its response to obtain the retail cost. The stated CP discount will then be taken to arrive at the CP price. All materials and services falling under this category must be submitted in advance and approved by the CP member prior to being included in any Job Order Proposal. If a material or service is required that must be custom designed and manufactured to meet an individual project site's conditions and/or provided for a unique application or project, the Vendor may provide three (3) or more written cost proposals or quotes from providers of such custom materials and services. Normal and customary markup and overhead may be added, and the CP designated discount taken. All materials and services falling in this category should be submitted in advance and approved by the CP Member prior to being included in any Job Order Quote. HCDE/CP and CP Members reserve the right to accept or reject any third-party cost proposals or quotes and/or proposed prices for Non Pre-Priced Items provided by the Vendor. If a material or service is required as part of the performance of a Job Order under this JOC and can only be obtained and/or manufactured from a single source and falls under the sole source exception to procurement requirements, the offeror must provide the CP Member with the necessary documentation to substantiate the purchasing method.

- 6.3.3. HCDE/CP and/or the CP Member will review the Job Order Quote and may request changes. Once an acceptable Job Order Quote and Scope of Work have been agreed to, the CP Member may issue a **PURCHASE ORDER AND/OR JOB ORDER** for the project, which must be signed by Vendor and the CP Member as a lump sum fixed price contract. TEX. GOV'T. CODE § 2269.410(a) ("An order for a job or project under a job order contract must be signed by the governmental entity's representative and the contractor."). **The governing body of each CP Member that is a governmental entity, as defined in Chapter 2269 of the Texas Government Code, must approve each job, task, or purchase order that exceeds \$500,000.** TEX. GOV'T. CODE § 2269.403(c).

Prior to Vendor's acceptance of any Job Order more than \$2,000,000, Vendor must submit the Job Order to HCDE (if HCDE is issuing the Job Order), or the CP Member (if the CP Member is issuing the Job Order), to determine whether the project is a "JOCable" project – that is, if the project constitutes maintenance, repair, alteration, renovation, remediation, or minor construction of a facility, the work is of a recurring nature but the delivery times are indefinite, and indefinite quantities and orders are awarded substantially on the basis of pre-described and pre-priced tasks, pursuant to TEX. GOV'T. CODE § 2269.403. **The final determination of whether a particular project is a "JOCable" project and conforms to TEX. GOV'T. CODE § 2269.403 is made by HCDE (if HCDE/CP is issuing the Job Order), or the CP Member issuing a Job Order.**

The CP member reserves the right to reject a Job Order Quote or cancel a project for any reason. The Vendor shall not recover any costs arising out of or related to the development of the Purchase Order/Job Order, including, but not limited to, the costs to review the Job Order Quote Request and/or prepare a Job Order Quote.

**Vendor is required to ensure that the Purchase Order/Job Order includes the following, as applicable:**

- The contract number, lump sum price, start date, schedule, and notice to proceed. The schedule will include the mobilization, materials purchase, installation and delivery, design, weather, and site cleanup and inspection. No additional claims may be made for delays as a result of these items.
- Each individual Purchase Order/Job Order may be limited to work at a single facility and will describe the Scope of Work to be performed. Descriptions may be written, by sketch, and/or by drawing and should include the location where work is to be performed, whether work may be performed during Regular Hours, the project completion time, and the price to be paid for the work.
- The date for commencing services and/or delivery of products ("work"). Upon commencing work, the Vendor will proceed diligently toward contract completion. Any delay in the work beyond the Vendor's control must be reported to the CP member's authorized representative immediately.
- Compensation for received products, terms of progress payments, and a schedule of payments. The CP member retains the right to extend the schedule of work/delivery time or to suspend the work and to

direct the Vendor to resume work when appropriate. The Purchase Order/Job Order must describe an equitable adjustment for added costs caused by any suspension. Any increases will be invoiced through HCDE/CP as allowed in the Contract or CSP.

- A schedule for performance of work that can be met without planned overtime, which shall be Vendor's responsibility.
- Monthly progress reports must be given to the CP member by the Vendor. The specifics of what is reported should be described in the Purchase Order.
- Terms for acceptance by the CP member and title to work must be clearly agreed upon and described. If any part of the work requires the CP member to assume control prior to the completion, this must be defined. Vendor and the CP member must agree on the definition of what constitutes final acceptance before payment of any retained compensation.
- Terms regarding retainage or a substitute security must be clearly agreed upon, detailed, and in compliance with applicable law.

No work shall be performed until a **written Purchase Order/Job Order** has been signed by the Vendor and the CP member. Any work performed under a Purchase Order/Job Order before the Vendor's receipt of the written Purchase Order/Job Order is at the Vendor's risk.

Notwithstanding the foregoing, in the event of an emergency (as determined by the CP member), a portion of the Scope of Work may be issued orally by the CP member to Vendor, who is required to confirm the oral Purchase Order/Job Order by issuing a written Purchase Order/Job Order as soon as possible, but in no event less than 5 business days after the oral order is received.

After the Purchase Order/Job Order is signed, a copy of the Purchase Order/Job Order shall be sent to Choice Partners at [facilityreporting@choicepartners.org](mailto:facilityreporting@choicepartners.org).

#### 6.3.5 **Performance of the Purchase Order/Job Order**

On a daily basis during the progress of the work for a CP member, the Vendor must remove and dispose of the resultant dirt and debris and keep the premises clean.

#### 6.3.6 **Samples, Testing**

During the course of performance of the Purchase Order or Job Order, the CP Member may secure samples, according to construction industry standards, guidelines, or industry standards, of materials being used from containers at the job site, and submit them to an independent laboratory for comparison to specified material. In the event test results prove that a material is not equal to or better than specified, the Vendor shall be responsible for the costs of the tests as well as the all costs incurred to replace, remove and dispose of non-compliant materials. In the event test results provide that a material is equal to that specified, the Vendor shall be notified of the results, and the CP member shall be responsible for the costs of the tests.

#### 6.3.7 **Completion of the Purchase Order/Job Order.** The Vendor shall perform the scope of work within the project completion time and for the fixed price of the Purchase Order/Job Order.

The Vendor is required to perform all work under a Purchase Order/Job Order which has been issued and received before the expiration date of this Contract. If the Purchase Order/Job Order is not received by the Vendor before the expiration date of this Contract, the Purchase Order will be considered cancelled. Purchase Orders/Job Orders sent in the last 30 days of a Term should be sent "Return Receipt Requested". Any Purchase Order/Job Order issued during the Term of the Contract and not completed before the expiration date of the Contract must be completed within the completion/delivery time stated in the Purchase Order/Job Order, and the rights and obligations of the Vendor and the CP member with respect to the Purchase Order/Job Order will be the same as if the Purchase Order/Job Order were completed during the Term of the Contract.

When the Purchase Order/Job Order has been completed, the Vendor shall notify the CP Member, and the CP Member shall inspect the work for acceptance under the scope and terms in the Purchase Order and/or Job Order. The CP Member will issue, in writing, any corrective actions/punch list items that are required, and Vendor shall promptly complete all corrective actions/punch list items. Final payment of a Purchase Order or Job Order for which progress payments have been made will not be made until the project is totally completed (including punch list items), and the final application for payment is approved and signed by the CP Member.

The Vendor shall, upon completion of the work, remove all equipment and surplus materials (except materials or equipment that are to remain at the CP member's property), and leave the premises in a clean, neat, and orderly condition satisfactory to the CP member.

Upon completion of the project, the Vendor shall deliver to the CP Member all associated as-built drawings, warranties, and owner's manuals/instructions.

## 7.0 SPECIFICATIONS

---

- 7.1 It is the intention of HCDE/CP to establish one or more contract(s) with highly qualified Vendor(s) for job order contracting, including the maintenance, repair, alteration, renovation, remediation, or minor construction of a facility when the work is of a recurring nature but the delivery times, type, and quantities of work are indefinite. Vendor(s) shall, at the request of HCDE/CP or any CP member, provide these products and/or covered services under the terms of this CSP and the Contract set forth in Section **5.0 Contract Terms and Conditions**. Vendor shall assist the CP member with making a determination of its individual needs.
- 7.2 The Vendor shall provide all personnel, equipment, tools, materials, supervision, and other items and services necessary to perform under this JOC CSP for Minor Construction, Maintenance, Repair, Alteration, Renovation, and Remediation services under the UPB and all other related services for HCDE/CP and CP members.

All division cost data has been derived from the 48 divisions according to the Construction Specifications Institute's (CSI) MasterFormat, a system of titles and numbers used extensively to organize construction information. The following will allow you to complete an accurate estimate using the Unit Price Book cost data.

1. Scope out the Project. Identify the individual work tasks that will need to be covered in your estimate.
2. Quantify the number of units required for each work task that you identified. Experienced estimators include an allowance for waste in their quantities. Waste is not included in Unit Price Line items for your estimate unless stated.
3. Price the Quantities. Use the Unit Price Table of Contents, and the Index, to locate individual Unit Price line items for your estimate.
4. Multiply the total number of units needed for your project by the total including O&P cost for each Unit Price line item.

### **IDIQ Division**

Division **xx**, **Division Title**

Master Format Line Items;

**xxxx Division Section Title**

Note: Other applicable Divisions of CSI may be covered under Section 6.1.

**These Specifications to be used as a general guide in developing your proposal. CP members will have defined Scope of Work/Specifications for each project.**

## 8.0 PRICING / DELIVERY INFORMATION

---

### 8.1 Pricing for JOC CSP

Vendors must provide their coefficients in the HCDE/CP eBid System ([www.choicepartners.org](http://www.choicepartners.org)) including any additional pricing examples and pricing discount schedules that need to be submitted to provide HCDE/CP with a comprehensive response. CP members may request the Vendor to provide discounts or other adjustments, on a per-Purchase Order basis. If discounts or quantity prices are offered by the Vendor, the Vendor must also offer the same reductions in pricing for orders of similar size to HCDE/CP and other CP members.

Vendors are required to submit a **coefficient proposal** based on their products and services as listed in the Unit Price Book(s) based on the CSI's Master Format Division Numbers. The coefficient should include the provision of reasonable oversight by Vendor. **The Vendor's coefficient proposal shall include all overhead items**, including but not limited to, vehicles and fuel, communication equipment, computers, printers, programs, insurance, transportation, maintenance, **CP Fee**, final site cleanup and all contingencies. Vendor should also include as part of its coefficient those services that are required to obtain building permits and meet local and state standards for design and oversight. Services may be provided via Vendor's own staff, subcontractors, or working with the CP Member's managers, architects and engineers, wherever such professional architectural and engineering services are required. **If no coefficient is included in Vendor's proposal, HCDE/CP will assume it is 1.0.**

## **9.0 VENDOR QUESTIONNAIRE**

---

9.1 Please complete the Vendor Questionnaire attached to the proposal in the HCDE/CP eBid System

[http://www.choicepartners.org/html/bidder\\_info.php](http://www.choicepartners.org/html/bidder_info.php)



## 10.0 ATTACHMENTS

---

- 10.1 Please complete the Attachment Packet attached to the proposal in the HCDE/CP eBid System

[http://www.choicepartners.org/html/bidder\\_info.php](http://www.choicepartners.org/html/bidder_info.php)



Harris County Department of Education  
6300 Irvington Blvd., Houston, Texas 77022-5618

**CSP #00/000\_\_**

**Competitive Sealed Proposals  
for  
Maintenance Component (TEC 44.031) and Component for Job  
Order Contracting IDIQ Minor Construction, Maintenance,  
Repair, Alteration, Renovation, and Remediation services (TGC  
2269)**

**Submittal Deadline and Proposal Opening Deadline:**

**DATE, at 2 p.m., Central Time**

*Proposals received after the date and time stated above will not be considered.*

Questions regarding this CSP must be submitted via email or fax no later than **five (5) business days** prior to the submittal deadline date. All questions and answers will be posted online at <https://hcdeebid.ionwave.net>

## TABLE OF CONTENTS

---

1.0	Notice of Intent
2.0	Introduction to Choice Partners Cooperative
3.0	Instructions to Vendors
4.0	Evaluation and Award of Proposal(s)
5.0	Contract Terms and Conditions
6.0	Scope of Proposal, including Job Order Contracting Component
7.0	Specifications
8.0	Pricing/Delivery Information
9.0	Vendor Questionnaire
10.0	Attachments

# 1.0 NOTICE OF INTENT

It is the intent of Harris County Department of Education (HCDE) to award one or more contract(s) as a result of this CSP for use by HCDE/CP and/or CP members. Product(s) and/or services considered for award shall equal or exceed a minimum quality level of industry standard(s) as defined within this CSP, including **Section 6.0 Scope of Proposal**, and shall comply with all applicable federal, state and local technical, environmental, and performance standards and specifications.

Further, it is the intent of HCDE/CP to allow CP members to “piggyback” onto any existing contract between HCDE and Vendor entered into pursuant to this CSP, as contemplated in United States Department of Agriculture Memorandum SP35-2012, Procuring Services of Purchasing Cooperatives, Group Purchasing Organizations, Group Buying Organizations, etc., June 12, 2012 (“SP 35-2012”). Accordingly, pursuant to HCDE’s membership agreements with CP members (as permitted under the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and Chapter 271, Subchapter F of the Texas Local Government Code, and similar statutes in other states), CP members are authorized to enter into separate and independent contracts with Vendor that employ the same negotiated terms and conditions contained in an existing contract(s) between HCDE and Vendor. Further, it is the intent of HCDE/CP to comply with the most restrictive federal (EDGAR) or state (FARSG) rule or regulation, and HCDE/CP intends to conduct a cost or price analysis in connection with every procurement action using federal funds.

**This CSP has TWO components** – (1) a **Maintenance** component, which is being procured in accordance with Texas Education Code (TEC) Section 44.031, Purchasing Contracts, and (2) a **Job Order Contracting** component, which is being procured in accordance with Texas Government Code (TGC) Chapter 2269, Contracting and Delivery Procedures for Construction Projects, TGC 2269.401-451, Job Order Contracting Method, for use by HCDE and CP members for job order contracting, including the maintenance, repair, alteration, renovation, remediation, or minor construction of a facility when the work is of a recurring nature but the delivery times, type, and quantities of work are indefinite. **Proposers MUST respond to the job order contracting component and MAY respond to the maintenance component. Stated differently, Proposers have two options: (1) submit a proposal for the job order contracting component only, or (2) submit a proposal for both the job order contracting component and the maintenance component. Proposers may NOT submit a proposal for the maintenance component only; proposals that are received for the maintenance component only will be considered unresponsive to this CSP.** HCDE reserves the right to award contracts for either or both of the components to one or multiple vendors.

In no event shall a job order issued as a result of this CSP be used in connection with a highway, road, street, bridge, utility, water supply project, water plant, wastewater plant, water and wastewater distribution or conveyance facility, wharf, dock, airport runway or taxiway, drainage project, or related type of project associated with civil engineering construction or a building or structure that is incidental to a project that is primarily a CIVIL ENGINEERING construction project. TEX. GOV’T CODE § 2269.402.

In compliance with TEX. GOV’T CODE § 2269.403(b), HCDE/CP is establishing the maximum annual aggregate contract price for all contracts awarded under this CSP for the entire CP cooperative program at \$200 million. The governing body of a CP member that is a governmental entity must approve each job, task, or purchase order that exceeds \$500,000. TEX. GOV’T CODE § 2269.403(c).

Any Job Order issued pursuant to this CSP must be signed by the representative of the governmental entity/CP member’s representative that solicits the Job Order and the Contractor. TEX. GOV’T CODE § 2269.410(a). The Job Order may be (1) a fixed price, lump-sum quote based substantially on unit pricing applied to estimated quantities; or (2) a unit price job order based on the quantities and line items delivered. TEX. GOV’T CODE § 2269.410(b).

**1.1 The initial base term of the prospective contract is a period of one calendar year, and HCDE/CP may elect to extend any contract awarded pursuant to this CSP for up to three additional one-year renewal terms.** TEX. GOV’T CODE § 2269.409.

**1.2 In this CSP and in the Contract, the following terms shall mean as follows:**

**1.2.1 “HCDE”** means the Harris County Department of Education, a county school district established under the laws of the State of Texas; 6300 Irvington Blvd., Houston, Texas 77022.

- 1.2.2 “CP” means Choice Partners cooperative, a national cooperative purchasing program and division of HCDE. HCDE/CP is a local governmental agency, as that term is used in SP 35-2012.
- 1.2.3 “CP member(s)” means the non-profit entities, public and private schools (including independent school districts and charter schools), education service centers, colleges, universities, municipalities, counties, political subdivisions, and other governmental entities and agencies throughout the United States that have followed local governing authority allowing them to utilize contracting vehicles procured and administered by HCDE, pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and Chapter 271, Subchapter F of the Texas Local Government Code, and similar statutes in other states.
- 1.2.4 “Vendor(s)” means the proposer(s) responding to this CSP and vendor(s) to whom a contract has been awarded as a result of this CSP by HCDE. A responsible vendor is a vendor who has adequate financial resources (or the ability to obtain such resources), can comply with the delivery requirements, and is a qualified and established firm regularly engaged in the type of business that provides the product(s) /service(s) listed herein.
- 1.2.5 “Contract” means the contract terms and conditions in **Section 5.0 Contract Terms and Conditions**, as further defined in the Entire Agreement provision of Section 5.0. A contract is exclusively between HCDE/CP and Vendor. All existing contracts shall be made available to CP members to review and copy. Further, all records, reports, and other documents related to HCDE/CP’s competitive procurement of existing contracts shall also be made available to CP members to review and copy
- 1.2.6 “Supplemental Contract” means a separate, supplemental contract entered into between a CP member and the Vendor, which utilizes the negotiated terms and conditions contained in the existing competitively-procured contract(s) between HCDE/CP and Vendor. Supplemental Contracts may further define the level of service and/or product requirements over and above the minimum defined in the Contract and the CSP, including, without limitation, invoice requirements, ordering requirements, on-campus service, specialized delivery, discounted pricing, etc. Supplemental Contracts may be a Purchase Order or Job Order issued by a CP member. Supplemental Contracts are exclusively between a CP member and Vendor and are executed pursuant to the piggyback method delineated in SP35-2012. Vendor shall immediately notify HCDE/CP of all Supplemental Contracts entered into with a CP member.
- 1.2.7 “Best Value” means the method by which a contract, if any, is awarded, in accordance with applicable laws, rules, and regulations. Best Value includes multiple parameters, including experience, references, quality of the Vendor’s product(s)/service(s), and price, as detailed in **Section 4.0 Evaluation and Award**.
- 1.2.8 “HCDE/CP Administrative Fee” or “HCDE/CP Fee” means the fee paid by Vendors to HCDE/CP for the limited purpose of funding the total administrative costs of the HCDE/CP program. HCDE/CP will invoice the Vendor for the HCDE/CP Administrative Fee. See Section 5.30. **The HCDE/CP Fee must be included in the Vendor’s price submitted in its proposal in response to this CSP. The HCDE/CP Fee must also be included in Vendor’s price coefficient as part of the Job Order Contracting component of this CSP and must not be issued as a separate line item in any Job Order Proposal issued to CP members.** All rebates, discounts, and other applicable credits from the Vendor resulting from Supplemental Contract(s) shall accrue exclusively to CP members.
- 1.2.9 “Purchase Order” or “PO” means the agreed-upon purchase order between HCDE or the CP member and the Vendor. Special terms and conditions agreed to by the Vendor and HCDE/CP or the CP member may be added as addendums to the PO, including such items as requirements concerning certificates of insurance, bonding, and small or disadvantaged business goals.
- 1.2.10 “Premium Hours” means those hours not included in Regular Hours or federal holidays. Premium Hours must be approved by HCDE/CP or the CP member for each Purchase Order or Job Order.
- 1.2.11 “Regular Hours” means the business hours and days of each CP member (or of HCDE, if HCDE is purchasing goods/services).

### Definitions related to the JOC component of this CSP:

- 1.2.12 **“Job Order Contracting or JOC”** is “a procurement method used for maintenance, repair, alteration, renovation, remediation, or minor construction of a facility when the work delivery is of a recurring nature but the delivery times, type and quantities or work required are indefinite (IDIQ).” TEX. GOV’T. CODE § 2269.401. JOC is negotiated by line-item delivery orders (job orders) based upon a contract’s priced coefficient applied to the city cost index and the line items in the unit price book. Once the line items are agreed to by the Vendor and HCDE or the CP member, a lump-sum, firm fixed price contract for the negotiated Scope of Work exists. The product(s) and/or service(s) to be purchased under the awarded contract(s), if any, may be of indefinite delivery and indefinite quantity (IDIQ).
- 1.2.13 **“Unit Price Book or UPB”** means the current addition(s) of the applicable unit price book(s) and the published quarterly updates. TEX. GOV’T. CODE § 2269.404 (“The governmental entity may establish contractual unit prices for a job order contract by specifying one or more published construction unit price books and the applicable divisions or line items or providing a list of work items and requiring the Vendor to propose one or more coefficients or multipliers to be applied to the price book or pre-priced work items as the price proposal.”) **For the JOC component of this CSP, the Unit Price Book(s) are the current edition of the RS Means Facilities Construction Unit Price Cost Data (RSMeansOnline.com) and the Craftsman National Construction Estimator Unit Price Book and software, using the most recent edition “Total Inc. O&P” or the Total column assuming a 35% O&P for the National Construction Estimator book.** When required by insurance or FEMA, Xactimate may be used in place of the UPB or cost data used in this CSP. Vendors, at their expense, will make copies of the UPB available to CP Members upon request via electronic or printed media. See Section 6.0 “Scope of Proposal” and Section 7.0 “Specifications” of this CSP for additional information.
- 1.2.14 **“Construction Specification Institute (CSI) Format”** is a published system of titles and numbers used extensively to organize construction information. All unit price data in the UPB is arranged in a CSI Master Format system.
- 1.2.15 **“Coefficient”** means the Vendor’s coefficient multiplier that is applied to the City Cost Index and the total sum of line item estimates for each individual Job Order, including all overhead items, such as office, vehicles and fuel, computers, communication devices, printers, programs, insurance maintenance, HCDE/CP administrative fee, as well as all costs to the Vendor associated with usual and customary program/project management, administration, and jobsite supervision.
- 1.2.16 **“City Cost Index”** means the defined pricing indices published by the Unit Price Book as local zip code modifiers to the national cost data.
- 1.2.17 **“Job Order”** is a unit price order based on the quantities and line items delivered. TEX. GOV’T. CODE § 2269.403(b). A Job Order is an order for a job or project that includes HCDE’s or the CP member’s job or project’s written Scope of Work and must be signed by the Vendor and HCDE or CP member. TEX. GOV’T. CODE § 2269.410(a). A signed Job Order is a contract between the Vendor and HCDE or the CP member. The governing body of each CP member that is a governmental entity, as defined in Chapter 2269 of the Texas Government Code, must approve each Job Order or Purchase Order that exceeds \$500,000. TEX. GOV’T. CODE § 2269.403(c).
- 1.2.18 **“Job Order Quote Request”** originates from HCDE/CP or the CP member and provides a general scope of project services and/or engineering/architectural drawings, a requested schedule, and any special addendum requirements from which the Vendor will develop a Scope of Work to be included in the Vendor’s Job Order Proposal.
- 1.2.19 **“Job Order Quote”** means the response from the Vendor to HCDE/CP or the CP member’s request for a specific project and contains the line-item estimate for the project as defined in the UPB and includes a written Scope of Work for services to be performed and/or products to be delivered. Each Job Order Quote submitted to HCDE/CP or the CP member must contain a line item estimate generated by one of the approved software programs, including all of the UPB items, quantities, pricing and total cost.

- 1.2.20 **“Scope of Work or SOW”** is the specific work that has been agreed to be undertaken and accomplished by Vendor for HCDE/CP or the CP member via the Job Order process.
- 1.2.21 **“Vendor’s Project General Manager (PGM)”** is the senior member of the Vendor’s team and will be the ultimate interface between HCDE/CP and CP members and Vendor.
- 1.2.22 **“Vendor’s Key Staff Members”** are critical to the quality, implementation, and successful support and execution of the contract and will be evaluated by HCDE/CP. Vendor’s Key Staff Members typically include the PGM, Delivery Order Managers, Business Manager, Safety/Environmental Manager, Quality Assurance/Quality Control Manager, and Marketing Manager.
- 1.2.23 **“Non Pre-Priced Items”** means those items that cannot be found or reasonably compared to listed line items in the UPB. The process detailed in Section 6.3.2 shall apply to Non Pre-Priced Items.

### 1.3 Time Table

HCDE/CP anticipates following the time table listed below for this job. The table below is only an estimate and may vary.

TIME TABLE		
Item	Activity	Date
1	CSP Advertised - 1 <sup>st</sup> run	Friday, February 12, 2016
2	CSP Advertised - 2 <sup>nd</sup> run	Monday, February 15, 2016
3	Pre-Proposal Meeting	Wednesday, February 17, 2016 @ 10 a.m. (6005 Westview Drive, Houston TX 77055)
4	Proposals Due	Tuesday, March 8, 2016 @ 2 p.m. CT
5	Award Date	Tuesday, April 9, 2016



## 2.0 INTRODUCTION TO CHOICE PARTNERS COOPERATIVE

---

### 2.1. Description of CP members

- 2.1.1. Contract(s), if any, awarded as a result of this CSP will be available for use by HCDE/CP. Additionally, contract(s) awarded as a result of this CSP will also be available for use by CP members pursuant to the piggyback method delineated in SP 35-2012. HCDE/CP, a local governmental entity, currently has more than 1,300 members and keeps growing every day. Many CP members constitute “school food authorities,” as that term is used in SP 35-2012.

Contract(s), if any, awarded as a result of this CSP will be available to CP members to review and copy on an “as needed” basis from a list of contracts that have been competitively procured and awarded to Vendors based on the selection criteria set forth in Section 4.0 Evaluation and Award. All related records, reports, and documents related to the competitive procurement of any contract(s) awarded as a result of this CSP will also be available to CP members to review and copy on an “as needed” basis.

- 2.1.2. By allowing eligible entities to piggyback onto existing contract(s) between HCDE/CP and Vendors, those entities can accomplish the legally-required competition for contracts of commonly purchased products and services, thereby saving the individual entity the cost of going through the procurement process. Vendors benefit as well by having a multi-year contract and by saving the time and expense of going through the procurement process for each individual participating governmental entity. The specific scope of work for each Supplemental Contract/Purchase Order shall be determined in advance and in writing between the CP member and the Vendor.
- 2.1.3. Pursuant to TEX. GOV'T. CODE Chapter 791, the Interlocal Cooperation Act, and similar statutes of other states, as well as directives issued by the Texas Department of Agriculture and the United States Department of Agriculture, HCDE/CP and CP members participate in an Interlocal Contract to provide governmental functions and services, including procurement services, which permits CP members to make purchases using contracts procured by HCDE.<sup>1</sup> **A local government that purchases products and services under the Interlocal Cooperation Act satisfies the requirement of the local government to seek competitive bids for the purchase of the products and services.** TEX. GOV'T. CODE § 791.025(c). An interlocal contract between a governmental entity and a purchasing cooperative may not be used to purchase engineering or architectural services. TEX. GOV'T. CODE § 791.011(h).

---

<sup>1</sup> See, e.g., TEX. EDUC. CODE § 44.031(a)(4) (“all school district contracts for the purchase of goods and services, except contracts for the purchase of produce or vehicle fuel, valued at \$50,000 or more in the aggregate for each 12-month period shall be made by the method...that provides the best value for the district[, including] an interlocal contract”); TEX. EDUC. CODE § 51.9335(a)(4) (each institution of higher education, as that term is defined by Tex. Educ. Code § 61.003, including each public junior college to the extent possible, “may acquire goods or services by the method that provides the best value to the institution, including... a group purchasing program.”); TEX. EDUC. CODE § 73.115(a)(4) (University of Texas at Houston “may acquire goods or services by the method that provides the best value to the institution, including... a group purchasing program.”); TEX. EDUC. CODE § 74.008(a)(4) (University of Texas Medical Branch at Galveston “may acquire goods or services by the method that provides the best value to the medical branch, including...a group purchasing program.”); TEX. LOCAL GOV'T. CODE Chapter 271 (Purchasing and Contracting Authority of Municipalities, Counties, and Certain Other Local Governments); TEX. LOCAL GOV'T. CODE Chapter 262 (Purchasing and Contracting Authority of Counties); 2 C.F.R. § 200.318(e) General Procurement Standards (“To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the non-federal entity is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.”); Texas Department of Agriculture, *Participation on Purchasing Cooperatives*, May 9, 2014, Angela Olige; United States Department of Agriculture Memorandum SP35-2012, *Procuring Services of Purchasing Cooperatives, Group Purchasing Organizations, Group Buying Organizations, etc.*, June 12, 2012.

#### 2.1.4. **Contracts Involving Federal Funds**

Because at the time of procurement, HCDE/CP is unable to determine which of its procurements/contracts will be used by CP members using federal funds, HCDE/CP intends to competitively procure each and every contract awarded by HCDE/CP under Section 44.031 of the Texas Education Code and intends to comply with EDGAR for every procurement action. To comply with EDGAR, HCDE/CP will make an independent estimate of the value of goods or services in the current market before receiving bids or proposals. After HCDE/CP receives bids and proposals but before awarding a contract, HCDE/CP will also conduct a price or cost analysis and document its findings. For contracts at or above \$150,000, CP members must verify that HCDE/CP fulfilled its requirement to conduct a cost or price analysis in order to benefit from the ability to purchase goods and services from CP directly without the need for additional procurement activities or documentation. HCDE/CP will provide its Independent Estimate Determination Form and Determination of Cost or Price Reasonableness Form to a CP member upon request, but HCDE/CP recommends that when circumstances necessitate separate evaluation of lump-sum pricing, CP members also conduct an independent evaluation of cost or price reasonableness tailored to the CP member's specific purchases so that the CP member can independently determine the reasonableness of the cost/price of the particular purchase. Stated differently, if the CP member's verification of CP's compliance with EDGAR reveals that the lump-sum price includes goods or services for which CP could not have performed a cost or price analysis, the Choice member should conduct an independent cost or price analysis.<sup>2</sup>

#### 2.2. **Financing of HCDE/CP**

- 2.2.1. HCDE/CP does not charge membership fees to CP members.
- 2.2.2. The total cost of the HCDE/CP program is funded through the HCDE/CP Administrative Fee paid to HCDE/CP by Vendors. The HCDE/CP Fee is based on a percentage of vendor sales, less special insurance and required bonding, if applicable.
- 2.2.3. HCDE/CP will provide limited oversight in assisting both CP members and Vendors in marketing to CP members, training (education), and provide, at a minimum, an annual review of each Vendor. This service will be paid for out of the HCDE/CP Fee. HCDE/CP will not market or sell directly for Vendors.
- 2.2.4. All rebates, discounts, and other applicable credits that are granted by Vendors as a result of Supplemental Contracts shall accrue exclusively to CP member(s).
- 2.2.5. **Vendor expressly agrees that HCDE/CP may disclose Vendor's proposal, including, but not limited to, pricing information, to other governmental entities.**

#### 2.3. **HCDE/CP Procedures**

- 2.3.1. Contracts are awarded through fair and open competition in compliance with applicable procurement rules and regulations.
- 2.3.2. The CP member sends a proposal request to the Vendor.
- 2.3.3. The Vendor prepares and sends to the CP member its proposal. The CP member conducts an evaluation of cost or price reasonableness, if the CP member is using \$150,000 or more of federal funds and an independent cost/price evaluation is necessary.
- 2.3.4. The Vendor and the CP member agree on a Purchase Order. Purchase Orders/Supplemental Contracts are reported and sent by individual CP members to the Vendor and to HCDE/CP, where they are logged and filed.
- 2.3.5. The Vendor delivers product(s)/service(s) directly to the CP member and then invoices the CP member.
- 2.3.6. The Vendor receives payment directly from CP member.
- 2.3.7. The Vendor reports the administrative fee to HCDE/CP and pays the fee to HCDE/CP.

---

<sup>2</sup> See *News from the Div. of Grants Admin.: Procurement Question Added to EDGAR FAQ Doc.*, Texas Educ. Agency (July 2, 2015); *New EDGAR Regs. Frequently Asked Questions: Preliminary Guidance Applicable to all Federally Funded Grant Programs Administered by the Texas Educ. Agency* (2014); 2 C.F.R. § 323(a) (cost or price analysis requirement).

### 3.0 INSTRUCTIONS TO VENDORS

#### 3.1. Proposal Response Format

To qualify for evaluation, a proposal must have been submitted on time and must materially satisfy all mandatory requirements identified in this CSP. Vendors must follow the format instructions detailed below in preparing and submitting their proposals.

##### 3.1.1 Required Format

Vendors shall submit proposals online in the HCDE/CP eBid system at the following address: <https://hcdeebid.ionwave.net>. The Vendor is responsible for ensuring that HCDE/CP has the appropriate company name, authorized representatives, and contact information on file for the purpose of receiving notices, changes, addenda or other critical information.

3.1.2 The following items must be included in the **Response Attachment** section of the eBid System. Failure to include these items may result in non-award.

- 1) Completed 9.0 Vendor Questionnaire
- 2) Completed 10.0 Attachment Packet
- 3) Pricing; Electronic Catalog/Price Lists
- 4) Insurance Coverage Certification (See Section 5.44).
- 5) Vendor's logo in JPEG format
- 6) Marketing Plan
- 7) Link to Vendor's website
- 8) Any applicable certificates (i.e., HUB, SWBE, licenses, etc.)
- 9) Safety plan
- 10) Surety letter showing Vendor's bonding capacity

##### 3.1.3 Proposal Response Location

Proposals shall be received no later than the submittal day and time deadline in the HCDE/CP eBid System.

##### 3.1.4 Submission of Proposals

**Proposers MUST respond to the job order contracting component and MAY respond to the maintenance component. Stated differently, Proposers have two options: (1) submit a proposal for the job order contracting component only, or (2) submit a proposal for both the job order contracting component and the maintenance component. Proposers may NOT submit a proposal for the maintenance component only; proposals that are received for the maintenance component only will be considered unresponsive to this CSP. Vendors must make clear which component(s) of this CSP they are responding to (i.e., either the JOC component, or both the JOC component and the maintenance component.** HCDE/CP will only accept bids and proposals submitted online. Faxed or electronically transmitted proposals will not be accepted. Deviations from any terms, conditions and/or specifications shall be conspicuously noted in writing by the Vendor and shall be included with the proposal. Withdrawal of proposals will not be allowed for a period of 180 days following the opening. Withdrawal of proposals prior to the submission deadline is permitted. **Copyrighted proposals are unacceptable and may be disqualified.**

##### 3.1.5 HCDE/CP Reservations

HCDE/CP reserves the right to:

- a) Cancel this solicitation in whole or in part, at the sole discretion of HCDE/CP.
- b) Accept, reject, or negotiate modifications in any terms of the Vendor's proposal or any parts thereof.
- c) Conduct oral interviews/discussions or presentations necessary to select the best value Vendor and/or to obtain competitive pricing.
- d) Reject and/or disqualify any or all proposals received, to award contracts for individual products or services as may appear advantageous, and to negotiate separately in any manner necessary to serve the best interest of HCDE/CP and/or CP members.
- e) Waive any formalities, technicalities, or other defects if deemed in the best interest of HCDE/CP and/or CP members; Request clarification and/or correction of Vendor(s) for the purpose of eliminating minor errors, clerical errors, and/or non-substantive irregularities.

- f) Be the sole judge of quality and equality.
- g) Award one or more contracts, in part or in whole, to a single or to multiple Vendors, in HCDE/CP sole discretion.
- h) Make all decisions regarding this CSP, including, without limitation, the right to decide whether a proposal substantially complies with the requirements of this CSP.

3.1.6 **Financial Responsibility**

HCDE/CP assumes no financial responsibility for any costs incurred by Vendors in developing and submitting a proposal or any amendments or addenda, participating in pre-proposal meetings, participating in any negotiation sessions or discussions, or any other costs incurred by Vendors pursuant to this CSP.

3.1.7 **Compliance with Specifications and Contract**

Vendors are requested to submit a proposal offering their total line of available products and services that are commonly purchased by governmental entities, school districts, and other public, not-for-profit agencies and organizations. Proposals shall be deemed responsive if they comply with all material and administrative aspects of this CSP. Vendors are required to respond to all requests identified in this CSP and indicate their acceptance or objection to the terms of the CSP and the Contract terms in section 5 Terms and Conditions. Any exceptions to the terms and conditions in the CSP or the Contract must be clearly indicated in the Vendor's submitted proposal. Deviations or exceptions stipulated in a Vendor's response may result in disqualification. Any language to the effect that the Vendor does not consider this CSP to be part of a contractual obligation may result in the Vendor's proposal being disqualified. Each Vendor, by making its proposal, represents that the Vendor has read and understands the CSP and the Contract.

## 4.0 EVALUATION AND AWARD

---

### 4.1. **Award of Contract**

In accordance with applicable laws, rules, and regulations for public procurement, award(s) will be made to the responsible Vendor(s) whose proposal(s) is/are determined after evaluation by HCDE/CP to be the best value to HCDE/CP and to CP members. To qualify for evaluation, a proposal must have been submitted on time and must materially satisfy all mandatory requirements identified in this document.

### 4.2. **Competitive Range**

It may be necessary for HCDE/CP to establish a competitive range of acceptable proposals as part of the evaluation process. Proposals not in the competitive range are unacceptable and will not receive further award consideration.

### 4.3. **Conflict of Interest – EDGAR**

In accordance with federal EDGAR requirements, 2 CFR § 318(c)(1), no employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which 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 considered for a contract.

The officers, employees, and agents of HCDE may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, through HCDE's written procedures, HCDE has set a de minimis amount of less than \$50 per year for items that are unsolicited and of minimal value and promotional items.

Violations of this standard by an employee will be reported to the Superintendent's Office and addressed through HCDE's personnel policies. Violations of this standard by an officer or the Superintendent shall be addressed to the **Board President and addressed through HCDE Board policies.**

### 4.4. **Deviations and Exceptions to Requirements**

Deviations or exceptions stipulated in a Vendor's response may result in disqualification. Any language to the effect that the Vendor does not consider this CSP to be part of a contractual obligation may result in the Vendor's proposal being disqualified.

### 4.5. **Clarification and/or Discussions**

HCDE/CP may request clarification from Vendor(s) for the purpose of eliminating minor errors, clerical errors, and/or non-substantive irregularities. Clarification does not give a Vendor the opportunity to revise, change, or modify its proposal in any way except to the extent of correction of the error. Discussion between HCDE/CP and Vendor can also take place after the initial receipt of proposals. HCDE/CP reserves the right to conduct discussions with all, some, or none of the Vendor submitting proposals. HCDE/CP will not assist the Vendor in the revision or modification of its proposal, nor will HCDE/CP assist the Vendor in bringing its proposal to the same level of other proposals received by HCDE/CP. Negotiations or discussions, if any, will not consist of a back-and-forth exchange resulting in contract, but rather will seek clarification or obtain equivalent elements.

Questions related to the CSP can be submitted online at <https://hcdeebid.ionwave.net> no later than five (5) business days prior to the submittal deadline date. All submitted questions and answers will be listed online. Questions will not be answered verbally or by phone.

### 4.6. **No Guarantee of Quantities**

HCDE/CP makes no guarantee or commitment of any kind concerning quantities that will actually be purchased under this CSP and the resulting contract, if any. HCDE/CP makes no guarantee or commitment of any kind regarding usage of any contracts resulting from this CSP.

4.8. **Minority and Women's Business Enterprise (MWBE), Historically Under-utilized Business (HUB) and Small Business Enterprise (SBE) Participation**

HCDE/CP encourages the use of HUB, MWBE, and SBE both as prime and subcontractors. However, these entities must meet the same minimum standards and requirements as the prime contractor. It will be the responsibility of the prime contractor to pre-qualify any subcontractors offered as HUB, MWBE and SBE participants. Some CP members have specific goals for subcontracting requirements and will require that a plan be attached to meet their goals. The Vendor shall also indicate on their submitted proposals whether or not they are a HUB, MWBE, or SBE vendor and with whom they are certified, e.g., State, City, Federal, and attach a copy of the certificate(s) under "Response Attachments" section of the eBid system.

When federal funds are expended by HCDE or any CP member, Vendor is required to take all affirmative steps set forth in 2 CFR 200.321 to solicit and reach out to small, minority and women owned firms for any subcontracting opportunities, including:

- (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; and
- (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

4.9. **Formation of Contract (Execution of Offer)**

A response to this CSP is an offer to contract with HCDE/CP based upon the terms, conditions, scope of work, and specifications contained in this CSP. A CSP does not become a contract unless and until it is accepted by HCDE/CP after approval by the HCDE Board of Trustees. A contract is formed when either HCDE's Superintendent or Assistant Superintendent for Business Support Services signs the Signature Form. The Vendor must submit a signed Signature Form, thus eliminating the need for the formal signing of a separate contract.

4.10. **Multiple Awards**

HCDE/CP reserves the right to award contracts to multiple vendors. The decision to award multiple contracts, award only one contract, or to make no awards rests solely with HCDE/CP. HCDE/CP may make multiple awards; this fact should be taken into consideration by each Vendor.

4.11. **Non-Exclusive Contract**

Any contract resulting from this CSP is non-exclusive and shall be awarded with the understanding and Contract that it is for the sole convenience of HCDE/CP and CP members. HCDE/CP and CP members are free to have multiple contracts for the awarded products and/or services and may initiate other procurement solicitations or procurement activity with other suppliers at any time, at HCDE's or CP members' sole discretion.

4.12. **Disqualification**

A Vendor may be disqualified before or after the proposals are opened upon evidence of collusion with the intent to defraud or evidence of intent to perform other illegal activities for the purpose of obtaining an unfair competitive advantage. A Vendor may also be disqualified before or after the proposals are opened in the event Vendor is out of compliance with an existing contract with HCDE/CP.

4.13. **Environmental Initiatives**

HCDE/CP is committed to reducing waste and promoting energy conservation. Toward that end, Vendors responding to this solicitation are encouraged to provide their company's environmental policy and green initiative.

4.14. **Interpretation**

This solicitation represents the basis for any award and supersedes all prior offers, negotiations, exceptions and understandings (whether orally or in writing). Submitted proposals should be self-explanatory and should not require any clarification or additional information.

4.15. **No Return of Proposals**

Once submitted, HCDE/CP will not return proposals to Vendor.

4.16. **Non-Collusion Statement**

Vendors are required to certify a **Non-Collusion Statement**. (See Section 10.0 Attachments) Vendors are required to state the party submitting a proposal or bid, that such proposal or bid is genuine and not collusive or sham; that Vendor has not colluded, conspired, connived or agreed, directly or indirectly, with an entity or person, to put in a sham proposal or bid or to refrain from proposing, and has not in any manner, directly or indirectly, sought by Contract or collusion, or communication or conference, with any person, to fix the proposed price or of any other vendor, or to fix any overhead, profit or cost element of said proposed price, or of that of any other vendor, or to secure any advantage against HCDE/CP or any person interested in the proposed contract, and that all statements in said proposal are true.

4.17. **Preferences**

HCDE/CP may apply applicable preferences for Texas resident Vendors in the event of a tie bid. Preferences must be explicitly claimed by Vendor and may not be applicable in procurements and/or contracts involving federal funds unless the procurement and/or contract involves unprocessed locally grown or locally raised agricultural products for use by HCDE/CP in a Child Nutrition Program. *See TEXAS GOV'T. CODE §2252.001-.004; 2 C.F.R. § 200.319.*

4.18. **Responsible Vendor**

HCDE/CP may only award contracts to Responsible Vendor(s) who possess the ability to perform successfully under the terms and conditions of a proposed procurement contract. A Responsible Vendor is a vendor who has adequate financial resources (or the ability to obtain such resources), can comply with the delivery requirements, and is a qualified and established firm regularly engaged in the type of business that provides the items listed herein. When determining if a vendor is responsible, HCDE/CP will consider the proposer's integrity, compliance with public policy, record of past performance, and financial and technical resources.

4.19. **Responsive Proposal**

Proposals shall be deemed responsive if they comply with all material and administrative aspects of this CSP.

4.20. **Similar Products or Materials**

Whenever product(s) and/or material(s) are referred by HCDE/CP in this solicitation by describing a proprietary product or by using the name of a manufacturer or brand name, the term "or equal" if not inserted shall be implied, as applicable. The specified product(s) and/or material(s) shall be understood as indicating type, function, minimum standard of design, efficiency and quality desired and shall not be construed as to exclude other manufactured products or comparable quality, design and efficiency, as applicable.

4.22. **Material Changes**

If a material change to a contract entered into between HCDE/CP and Vendor occurs, then the contract will not be renewed upon the conclusion of its term. Upon the expiration of the term, HCDE/CP may issue a new CSP for the goods or services procured under the previously-existing contract. Material change means a modification that substantially exceeds the terms of the original contract between HCDE/CP and Vendor.

4.23. **Appeal/Protest Process**

Any Vendor who submitted a proposal may appeal HCDE's award, if the appeal is based on deviations from laws, rules, regulations, or HCDE Board policies. HCDE Board Policy GF (Local) applies to any Vendor wishing to appeal a proposal and/or award of a contract. In accordance with Policy GF (Local), a Vendor shall submit a complaint/appeal form by hand-delivery, fax, or U.S. mail, to HCDE's Director of Choice Partners. Complaints/appeals must be received by the close of business on or before the 15<sup>th</sup> HCDE business day after award of the contract. In the event Vendor is unsure about the award of the contract, it is the Vendor's

responsibility to contact Choice Partners on the next business day after the award is announced and verify details concerning the award.

#### 4.24 **Evaluation of Proposals**

A committee of HCDE/CP employees and/or CP members will review and evaluate proposals and make a recommendation to the HCDE Board of Trustees. HCDE/CP will base a recommendation for contract award on the following factors:

<b>Evaluation Factors</b>	<b>Weighted Value</b>
(1) Price	40
<ul style="list-style-type: none"> <li>Overall Cost of Program</li> <li>Pricing as determined by the proposal submitted</li> <li>Pricing may also be based upon usage and coverage</li> </ul>	
(2) Vendor's experience and reputation	15
<ul style="list-style-type: none"> <li>References for local governmental entities and with a purchasing cooperative program</li> <li>Local government agencies within the past 5 years</li> <li>Other projects completed within the past 10 years</li> </ul>	
(3) Quality of Vendor's products/services and extent to which the products/services meet HCDE/CP and CP members' needs, including:	25
<ul style="list-style-type: none"> <li>JOC Project Management</li> <li>JOC Infrastructure Solutions</li> <li>Quality of Vendor's Products/Service</li> <li>Demonstrated ability to perform job order contracting services</li> <li>Vendor's proposed personnel</li> </ul>	
(4) Impact on the ability of CP members to comply with laws and rules relating to HUB/MWBE/SBE	0
(5) Vendor's safety record, including current OSHA safety report	3
(6) Whether Vendor's financial capability is appropriate to the size and scope of the project and the total long-term cost to HCDE/CP and CP members to acquire the products/services	5
(7) 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:	0
(A) has its principal place of business in this state; or (B) employs at least 500 persons in this state <sup>3</sup>	
(8) Vendor's past relationship with HCDE/CP and/or CP members, including Vendor's job order contracting relationship with HCDE/CP and/or CP members	5
(9) Marketing Plan	5
<b>TOTAL POSSIBLE POINTS:</b>	<b><u>100</u></b>

<sup>3</sup> As a general rule, HCDE/CP may not apply geographic preferences for procurements involving federal funds. See 2 C.F.R. § 200.319. However, HCDE/CP may apply an optional geographic preference in the procurement of unprocessed locally grown or locally raised agricultural products for use in a Child Nutrition Program. See 2 C.F.R. §§ 210 (National School Lunch Program), 215 (Special Milk Program for Children), 220 (School Breakfast Program), 225 (Summer Food Service Program), 226 (Child and Adult Care Food Program).



## 5.0 CONTRACT TERMS AND CONDITIONS

---

These Contract Terms and Conditions are part of the final contract in each product and/or service contract awarded as a result of this CSP and are part of the terms and conditions of each Purchase Order, Job Order, or proposal forms issued in connection with this CSP. Vendors are responsible for identifying any exceptions to these terms and conditions. **ANY EXCEPTIONS MUST BE NOTED DIRECTLY BELOW EACH OF THE RESPECTIVE TERMS AND CONDITIONS.** Proposals that are qualified with conditional clauses, items not called for, or other irregularities may be considered non-responsive by HCDE/CP and eliminated from further consideration.

**CONTRACT BETWEEN  
HARRIS COUNTY DEPARTMENT OF EDUCATION AND  
("VENDOR")  
FOR  
INSERT**

This Contract is entered into between HCDE/CP and Vendor, having submitted a proposal in response to this CSP issued by HCDE/CP and whose proposal has been accepted and awarded by HCDE. 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, HCDE/CP and Vendor, intending to be legally bound, and subject to the terms, conditions, and provisions of this Contract, agree as follows:

**5.1. Definitions**

The terms used in this Contract shall have the meanings assigned to them in **Section 1.0 Notice of Intent** of the CSP.

**5.2. Use of Contract by CP members**

Vendor agrees and understands that this CSP and Contract may be used to accomplish work for HCDE/CP, a local governmental entity. Vendor further agrees and understands that this CSP and Contract may also be utilized by CP members pursuant to the piggyback method, as contemplated in the U.S. Department of Agriculture Memorandum SP 35-2012, *Procuring Services of Purchasing Cooperatives, Group Purchasing Organizations, Group Buying Organizations, etc.* ("SP 35-2012). Vendor agrees and understands that CP members include "school food authorities," as that term is used in SP 35-2012.

**5.3. Contract Terms; Amendment**

The terms and conditions of this Contract shall govern all procurements conducted hereunder. No pre-published terms on Vendor's Purchase Order, acknowledgments, invoices, or other forms shall have any force or effect unless expressly agreed to by the CP member and Vendor. No amendment of this Contract shall be permitted unless and until first approved in writing by HCDE/CP and, if necessary, the CP member(s), and no such amendment shall have any effect unless and until a written amendment to this Contract is executed by the HCDE Superintendent or his designee after any necessary approvals have been obtained from the HCDE Board of Trustees. In the event that a Vendor has an existing HCDE/CP contract in the same contract title, upon award the new contract will immediately supersede the older contract.

**5.4. Term of Contract; Renewal of Contract**

The initial term of this Contract is for a period of one (1) year, with HCDE/CP having the option to renew the Contract for three (3) additional one-year terms, at HCDE's sole discretion, unless otherwise specified in **Section 6.0 Scope of Proposal**. Consequently, the total term of the Contract may be for a period of **four (4)** years. The phrase "Term" in this Contract shall mean the then-current Term of the Contract, whether an initial term or a renewal term.

**5.5. Termination of Contract; Survival**

This Contract shall remain in effect until (1) the Contract expires by its terms or (2) the Contract is terminated by mutual consent of HCDE/CP and Vendor. All Supplemental Contracts, purchase orders, and/or orders for goods or services issued by HCDE and/or CP members and accepted by Vendor shall survive the expiration or

termination of this Contract. During the term of any Supplemental Contract entered into between Vendor and a CP member, all terms of this Contract shall continue to apply to the Supplemental Contract.

In the event of a breach or default of the Contract and/or the CSP by Vendor, HCDE/CP reserves the right to enforce the performance of the Contract in any manner prescribed by law or deemed to be in the best interest of HCDE/CP and/or CP members. HCDE/CP further reserves the right to terminate the Contract immediately in the event Vendor fails to: (1) meet schedules, deadlines, and/or delivery dates within the time specified in the CSP, this Contract, and/or a Purchase Order; (2) make any payments owed; or (3) otherwise perform in accordance with this Contract and/or the CSP. HCDE/CP also reserves the right to terminate the Contract immediately, with written notice to Vendor, if HCDE/CP believes, in its sole discretion that it is in the best interest of HCDE/CP and/or CP members to do so.

In the event that a material change to the terms of the Contract occurs, then the Contract shall be allowed to expire and shall not be renewed upon the conclusion of the Contract's term. The phrase "material change" in this paragraph shall mean a modification that substantially exceeds the terms of the original contract between HCDE/CP and Vendor. Upon the expiration of the Contract's term, HCDE/CP may issue a new CSP for the goods or services procured under the previous contract.

Vendor agrees that HCDE/CP shall not be liable for damages in the event that HCDE/CP declares Vendor to be in default or breach of this Contract and/or the CSP. Vendor further agrees that upon termination of the Contract for any reason, Vendor shall, in good faith and with reasonable cooperation, aid in the transition to any new arrangement and/or Vendor.

#### 5.6. **Prevailing Wage Rates**

Vendor and all subcontractors of Vendor shall comply with all laws regarding prevailing wage rates, including, but not limited to, TEX. GOV'T. CODE Chapter 2258, applicable to the construction of a public work, and any related federal requirements, including the DAVIS-BACON ACT. In the event TEX. GOV'T. CODE Chapter 2258 applies to a product or service provided by Vendor to HCDE/CP or a CP member, Vendor and any subcontractor(s) shall comply with the prevailing wage rates set by HCDE/CP or the CP member.

#### 5.7. **Change Orders**

Pursuant to TEX. EDUC. CODE § 44.0411(a), for HCDE/CP and CP members that are Texas school districts, if a change in plans or specifications is necessary after the performance of a Purchase Order or Job Order has begun or if it is necessary to decrease or increase the quantity of work to be performed or of materials, equipment, or supplies to be furnished, the CP member may approve change orders making the changes. The total Purchase Order or Job Order price may not be increased because of the changes unless additional money for increased costs is approved for that purpose from available money or is provided for by the authorization of the issuance of time warrants. The CP member may grant general authority to an administrative official to approve the change orders. A Purchase Order or Job Order with an original contract price of \$1 million or more may not be increased under TEX. EDUC. CODE § 44.0411(a) by more than 25 percent. If a change order for a Purchase Order or Job Order with an original contract price of less than \$1 million increases the contract amount to \$1 million or more, the total of the subsequent change orders may not increase the revised contract amount by more than 25 percent of the original contract price.

#### 5.8. **Compliance with Laws**

Vendor shall comply with all applicable federal, state, and local laws, statutes, ordinances, standards, orders, rules, and regulations, including, as applicable, workers' compensation laws; minimum and maximum salary and wage statutes and regulations; prompt payment and licensing laws and regulations; anti-discrimination statutes and regulations (Title VI of the Education Amendments of 1972; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; Title 7 C.F.R. Parts 15, 15a, and 15b; the Americans with Disabilities Act; and FNS Instruction 113-1, Civil Rights Compliance and Enforcement—Nutrition Programs and Activities); the Davis-Bacon Act (40 U.S.C. § 276a / 29 CFR Part 5); the Copeland "Anti-Kickback" Act (18 U.S.C. § 874 / 29 CFR Part 5); the Equal Opportunity Employment requirements (Executive Orders 11246 and 11375 / 41 CFR Chapter 60); the McNamara-O'Hara Service Contract Act (41 U.S.C. 351); Section 306 of the Clean Air Act (42 U.S.C. § 1857h); Section 508 of the Clean Water Act (33 U.S.C. § 1368); Executive Order 11738, Environmental Protection Agency regulations (40 CFR Part 15); the Contract Work Hours and Safety Act (40 U.S.C. § 3701-

3708; 29 C.F.R. Part 5; the Solid Waste Disposal Act (Section 6002 as amended by the Resource Conservation and Recovery Act for procuring solid waste management services in a manner that maximizes energy and resource recovery when contract amount is in excess of \$10,000); the Education Department General Administrative Regulations (“EDGAR”) (2 C.F.R. Part 200); mandatory standards and policies contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871); and all applicable requirements and regulations, including those related to reporting, patent rights, copyrights, data rights, and those mandated by federal agencies making awards of federal funds to HCDE/CP and/or CP members, including, without limitation, the U.S. Department of Agriculture and/or Texas Department of Agriculture. Vendor understands that Vendor is ineligible to receive a contract award with HCDE/CP if Vendor or its principal(s) is listed on the government wide exclusions in the System for Award Management (Debarment and Suspension Orders Executive Orders 12549 and 12689) or is 30 days or more delinquent in paying child support (Tex. Fam. Code § 231.006). For the entire duration of this Contract, Vendor and all subcontractors shall maintain all required licenses, certifications, permits, and any other documentation necessary to perform this Contract. All permits will be acquired by Vendor and invoiced to the CP member at cost as part of the Purchase Order, unless the permits are provided by the CP member. For the entire duration of this Contract, Vendor and all subcontractors shall also comply with all requirements pertaining to local, state, or federal health and safety certifications, licensing, or regulations. Vendor must comply with all state and local building code requirements unless otherwise specifically provided in the CP member’s Purchase Order, and Vendor must pay all fees and charges for connections to outside services and for use of property outside the project site. The states of individual CP members may have regulations and laws that govern payment retention and progress payments for public projects. Vendor is responsible for being acquainted with and complying with each state’s requirements. When required or requested by HCDE/CP or a CP member, Vendor shall furnish HCDE/CP and/or the CP member with satisfactory proof of Vendor’s compliance with this provision.

**5.9. Confidentiality**

Vendor and HCDE/CP agree to secure the confidentiality of all information and records in accordance with applicable federal and state laws, rules, and regulations. Vendor and HCDE/CP understand that the Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g, governs the privacy and security of educational records and information and agree to abide by FERPA rules and regulations, as applicable. Vendor also acknowledges that HCDE/CP and numerous CP members are subject to the Texas Public Information Act, and Vendor waives any claim against and releases from liability HCDE/CP and CP members, their respective officers, employees, agents, and attorneys with respect to disclosure of information provided under or in this Contract or otherwise created, assembled, maintained, or held by Vendor, HCDE, or a CP member and determined by HCDE/CP or the CP member, the Attorney General of Texas, or a court of law to be subject to disclosure under the Texas Public Information Act.

**5.10. Performance and Payment Bonds**

Vendor agrees to provide performance bonds and/or payment bonds as required by law, based on the amount or estimated amount of any Purchase Order or Job Order for a public work contract, which is defined as a contract for constructing, altering, or repairing a public building or carrying out or completing any public work. TEX. GOV’T. CODE §§ 2253.001(4); 22269.411. Pursuant to TEX. GOV’T. CODE § 2253.021, a performance bond is required if a Purchase Order is in excess of \$100,000 for CP members that are governmental entities subject to Chapter 2253; a payment bond is required if a Purchase Order or Job Order is in excess of \$25,000 for CP members that are governmental entities subject to Chapter 2253 and are not municipalities or a joint board created under Subchapter D, Chapter 22 of the Tex. Transp. Code, and a payment bond is required if a Purchase Order or Job Order is in excess of \$50,000 for CP members that are governmental entities subject to Chapter 2253 and are municipalities or a joint board created under Subchapter D, Chapter 22 of the TEX. TRANSP. CODE.

**5.11. Title and Risk of Loss**

Whenever HCDE/CP or a CP member is purchasing (and not leasing) a product under this Contract, title and risk of loss shall pass upon the later of HCDE/CP or the CP member’s acceptance of the product or payment of the applicable invoice.

**5.12. Warranty Conditions**

All product(s) and/or service(s) provided by the Vendor under this Contract must be warranted to be free from defects in material, workmanship, and free from such defects in design for a period of one (1) year upon the later

of HCDE's or the CP member's acceptance of the product and/or service or payment of the applicable invoice. Vendor warrants that all products and/or services furnished under this Contract shall conform in all respects to the terms of this Contract, including any drawings, specifications, and/or standards incorporated herein, including, without limitation, those detailed in the CSP and Purchase Order. In addition, Vendor warrants that products and/or services are suitable for and will perform in accordance with the purposes for which they are intended. Vendor shall assume all liabilities incurred within the scope of consequential damages and incidental expenses, as set forth in the Vendor or manufacturer's warranty, which result from either delivery or use of product, which does not meet the specifications within this Contract, the CSP, or Purchase Order.

**5.13. Criminal History Review**

**Section 10.0 Attachment–SB 9 Contractor Certification: Contractor Employees (Required) and Attachment–SB 9 Contractor Certification: Subcontractor Form (If Applicable) must be submitted with packet, if applicable.**

Prior to commencing any work under the Contract, if Vendor contracts with HCDE/CP to provide services, Vendor must certify, on the form provided herein, that for each covered employee of Vendor who will have direct contact with students, Vendor has obtained, as required by TEX. EDUC. CODE Section 22.0834: (a) state criminal history record information from a law enforcement or criminal justice agency or a private entity that is a consumer reporting agency governed by the Fair Credit Reporting Act (15 U.S.C. Section 1681 et seq.) for each covered employee of Vendor employed before January 1, 2008; and (b) national criminal history record information for each employee of Vendor employed on or after January 1, 2008. Vendor must also obtain similar certifications of compliance with TEX. EDUC. CODE, Chapter 22 requirements from any subcontractors on the form provided herein. Covered employees with disqualifying criminal history are prohibited from serving at HCDE/CP or at CP school district members' locations; Vendor and any subcontracting entity may not permit a covered employee to provide services at a school if the employee has been convicted of a felony or misdemeanor offense that would prevent a person from being employed under TEX. EDUC. CODE § 22.085(a) (i.e., Title 5 felony or an offense requiring registration as a sex offender and victim was under 18 years of age or was enrolled in a public school at the time the offense occurred). Covered employees do not include employees of a contracting or subcontracting entity that is providing engineering, architectural, or construction services on a project to design, construct, alter, or repair a public work if: (1) the public work does not involve the construction, alteration, or repair of an instructional facility as defined by Texas Education Code Section 46.001; (2) the employee's duties will be completed more than seven (7) days before a new instructional facility will be used for instruction; or (3) for an existing instructional facility, the work area contains sanitary facilities separated from all areas used by students by a fence at least six (6) feet high, and the Contractor adopts, informs employees of, and enforces a policy prohibiting employees and any subcontractor's employees from interacting with students or entering areas used by students. Tex. Educ. Code §§ 22.0834(a-1), .08341. The criminal history record information review obligation applies only if Vendor contracts with HCDE/CP to provide services; it does not apply to a contract for the purchase of goods, products or real estate.

**5.14. Customer Support**

Vendor shall provide timely and accurate technical advice and sales support to HCDE/CP staff, and CP members. Vendor shall respond to requests for customer support within one (1) business day after receipt of the request. Vendor shall provide training to HCDE/CP staff and/or CP members regarding products and/or services supplied by Vendor, at no additional charge, if requested by HCDE/CP or a CP member.

**5.15. HCDE/CP and/or CP members' Property**

In the event of loss, damage, or destruction of any property owned by or loaned by HCDE/CP or a CP member that is caused by Vendor or Vendor's representative, agent, employee, or contractor, Vendor shall indemnify HCDE/CP or the CP member and pay to HCDE/CP or the CP member the full value of or the full cost of repair or replacement of such property, whichever is greater, within thirty (30) days of Vendor's receipt of written notice of HCDE's or the CP member's determination of the amount due. If Vendor fails to make timely payment, HCDE/CP or the CP member may obtain such money from Vendor by any means permitted by law, including, without limitation, offset or counterclaim against any money otherwise due to Vendor by HCDE/CP or the CP member.

**5.16. Tax Exempt Status**

HCDE/CP and all CP members that are Texas governmental entities or agencies are exempt from payment of Texas State Sales Taxes under TEXAS TAX CODE§ 151.310 for the purchase of tangible personal property. Laws of other states govern the tax status of CP members in states other than Texas. Vendor represents and warrants that it shall pay all taxes or similar amounts resulting from this Contract, including, without limitation, any federal, state, or local income, sales or excise taxes of Vendor or its employees. HCDE/CP and CP members shall not be liable for any taxes resulting from this Contract, except where otherwise required by law.

**5.17. Other State Tax Requirements**

5.17.1. Payment of Taxes by CP members Outside of Texas – CP members outside of Texas will pay only the rate and/or amount of taxes identified in Vendor's proposal submitted in response to the CSP as appropriate to the specific CP member.

5.17.2. State and Local Transaction Privilege Taxes – The CP member is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sales of products and are the sole responsibility of Vendor, as the seller, to remit. Failure to remit taxes from HCDE/CP and/or the CP member, as the buyer, does not relieve Vendor, as the seller, from its obligation to remit taxes.

**5.18. State of Texas Franchise Tax**

By submitting a proposal in response to the CSP, Vendor certifies that Vendor is not currently delinquent in Vendor's payment of any franchise taxes or other taxes owed to the State of Texas.

**5.19. Tax Responsibilities of Vendor and Indemnification for Taxes**

Vendor is responsible for complying with the tax laws of states and the federal government. Vendor and all subcontractor(s) of Vendor shall pay all federal, state, and local taxes applicable to Vendor's operation, any persons employed by Vendor, and all subcontractors of Vendor. Vendor shall require all subcontractors to hold HCDE/CP and the CP member harmless from any responsibility for taxes, damages, and interest. If applicable, contributions required under federal, state, and/or local laws and regulations and any other costs, including, but not limited to, transaction privilege taxes, unemployment compensation insurance, Social Security, and Worker's Compensation, shall be the sole responsibility of Vendor.

**5.20. IRS W-9**

To receive payment under this Contract, Vendor shall have a current I.R.S. W-9 Form on file with the CP member.

**5.21. Assignment of Contract**

Vendor may not assign this Contract or any of its rights, duties or obligations hereunder without the prior written approval of HCDE. Any attempted assignment of this Contract by Vendor shall be null and void. Any Purchase Order or Job Order made as a result of this Contract may not be transferred, assigned, subcontracted, mortgaged, pledged, or otherwise disposed of or encumbered in any way by Vendor without the prior written approval of HCDE/CP and, if applicable, the CP member.

**5.22. Notification of Material Change**

Vendor is required to notify HCDE/CP when any material change in operations occurs, including changes in distribution rights for awarded products, bankruptcy, material changes in financial condition, change of ownership, and the like, within three (3) business days of such change.

**5.23. Performance**

Vendor agrees to use commercially reasonable best efforts to provide the product(s) and/or service(s) subject to this Contract. Vendor shall furnish all supervision, labor, tools, equipment, permits, licenses, transportation, insurance, material, and supplies necessary to complete any scope of work, Purchase Order, or Job Order under this Contract. Vendor shall use skilled, trained personnel, who shall be supervised by Vendor.

**5.24. Subcontractors**

If Vendor uses subcontractors in the performance of any part of this Contract, Vendor shall be fully responsible to HCDE/CP and CP members for all acts and omissions of the subcontractors. Nothing in this Contract shall

create for the benefit of any such subcontractor any contractual relationship between HCDE/CP and any such subcontractor, nor shall it create any obligation on the part of HCDE/CP or CP members to pay or to see to the payment of any monies due any such subcontractor except as may otherwise be required by law. Vendor represents and warrants that it is willing, able, and capable of obtaining, supervising, and being responsible for any subcontractors who perform and/or provide products and services related to this Contract.

If Vendor uses subcontractors in the performance of any Purchase Order or Job Order issued as a result of a Job Order Contract awarded via this procurement solicitation, subcontractors must issue their Job Order Quotes using the same pricing method(s) outlined in the procurement solicitation and according to Texas Government Code Chapter 22269, Subchapter I, Job Order Contracts Method.

**5.25. Non-Appropriation**

Renewal of this Contract, if any, will be in accordance with TEX. LOCAL GOV'T. CODE § 271.903 concerning non-appropriation of funds for multi-year contracts. Notwithstanding any other provision of this Contract or obligation imposed on HCDE/CP or any CP member by this Contract, HCDE/CP and CP members shall have the right to terminate this Contract, any Supplemental Contract, Purchase Order, and/or Job Order without default or liability to Vendor resulting from such termination, effective as of the expiration of each budget period of HCDE/CP or any CP member if it is determined by HCDE/CP or any CP member, at their sole discretion, that there are insufficient funds to extend this Contract, any Supplemental Contract, any Purchase Order. The parties agree that this Contract, any Supplemental Contract, any Purchase Order, and/or any Job Order are commitments of the current revenue of HCDE/CP and CP members only.

**5.26. Ordering Procedures**

Purchase Orders/Job Orders are issued by HCDE/CP and/or CP members to the Vendor according to this Contract and any Supplemental Contract between HCDE/CP and the CP member. CP members must send Purchase Orders/Job orders to HCDE/CP, unless otherwise stipulated by HCDE/CP. HCDE/CP may request confirmation of receipt of the Purchase Order/Job Order from Vendor.

HCDE/CP also may elect to require e-commerce functionality, in which Purchase Orders/Job Orders are sent directly to Vendor and reported by the CP member to HCDE/CP on a specified basis. The e-commerce approach must be approved by HCDE/CP prior to the start date of any Term of the Contract.

**5.27. Invoices; Payments**

5.27.1. Vendor shall submit invoices, in duplicate, directly to HCDE/CP or the CP member at the appropriate location(s) specified by HCDE/CP or the CP member. Each invoice shall include HCDE's or the CP member's Purchase Order/Job Order number and HCDE/CP Contract Number. All invoices shall be itemized to include the type of product(s) and/or service(s) rendered. Vendor shall submit invoices within a timely manner during HCDE's or the CP member's fiscal year in which the product(s) and/or service(s) are purchased. The shipment tracking number or pertinent information for verification of HCDE's or the CP member's receipt shall be made available upon request by HCDE/CP or the CP member.

5.27.2. HCDE/CP or the CP member will make payments directly to Vendor. HCDE/CP or the CP member placing the Purchase Order/Job Order with Vendor shall alone be liable and/or responsible for payment for product(s) and/or service(s) ordered and must be invoiced directly by Vendor. Neither HCDE/CP nor any CP member shall be liable for the indebtedness of any one CP member.

5.27.3. TEX. GOV'T. CODE § 2251.021 shall govern when payments are due to the Vendor. Payments are due to Vendor by HCDE/CP and any CP member whose governing body meets only once a month or less frequently, **within forty-five (45) days** after the later of the following: (1) the date HCDE/CP or the CP member receives the products and services under the Contract; (2) the date the performance of the service under the Contract is completed; or (3) the date HCDE/CP or the CP member receives an invoice for the products or service. For CP members whose governing bodies meet more than once a month or more often, payments are due by those CP members **within thirty (30) days** after the later of the following: (1) the date the CP member receives product(s) under the Contract; (2) the date the

performance of the service under the Contract is completed; or (3) the date the CP member receives an invoice for product(s) or service(s). Vendor agrees to pay any subcontractors the appropriate share of the payment received from HCDE/CP or the CP member not later than the **tenth (10th) day** after the date the Vendor receives the payment from HCDE/CP or the CP member.

The exceptions to payments made by HCDE, a CP member, and/or Vendor listed in TEX. GOV'T. CODE § 2251.002 shall apply to this Contract.

**5.28. Reporting**

The Vendor shall provide HCDE/CP with a detailed monthly report showing the total dollar volume of all sales under this Contract for the previous month in Microsoft Excel format, in the format and with the information specified by HCDE/CP. Reports are due on the **fifteenth (15) day of the month**, after the close of the previous month and shall provide information regarding Purchase Orders/Job Orders during the previous month. Vendor is responsible for collecting and compiling all sales under this Contract from all CP members and submitting **one (1)** consolidated monthly report. The monthly report shall include, at a minimum, the date of each Purchase Order/Job Order, Purchase Order/Job Order number, CP member name, city/town, and Purchase Order total dollar amount. Reports shall be submitted in an electronic format to HCDE/CP at 6005 Westview, Houston, Texas 77055, or electronically mailed to [facilityreporting@choicepartners.org](mailto:facilityreporting@choicepartners.org).

The Vendor shall provide HCDE/CP with velocity/usage reports within five (5) business days of any request by HCDE/CP for such reports.

**5.29. Pricing Changes**

All prices and discount percentages in Vendor's proposal shall be firm for the Term of this Contract. Pricing may be negotiated during the Contract renewal period. In the event Proposer's prices will be adjusted or escalated upon a renewal (if any) of the fixed-price contract awarded pursuant to this RFP, Proposer must indicate such in its proposal. Any adjustment or escalation of the fixed price(s) will be based on the CPI index and may only be made at the time of contract renewal. Vendor agrees to promptly lower the proportionate price of any product purchased through this Contract following a reduction in the price the Vendor is paying suppliers. All pricing submitted to HCDE/CP in Vendor's proposal shall include the administrative fee to be remitted to HCDE/CP by Vendor. It is Vendor's responsibility to keep all pricing up-to-date and on file with HCDE/CP. All price changes shall be presented to HCDE/CP for acceptance or rejection by HCDE/CP, in its sole discretion, using the same format as was accepted in Vendor's original proposal; all price changes for products and/or services provided under this Contract must be approved, in writing, by HCDE/CP prior to taking effect.

The following documentation shall be provided to support a request for a price change:

- justification for change/increase
- terms and conditions
- market conditions
- manufacturers'/distributors' impact, if any

All price decreases shall be allowed for all products and/or services.

**5.30. HCDE/CP Administrative Fee**

HCDE/CP will invoice Vendor for the HCDE/CP Administrative Fee of **3%**, subject to the Administrative Incentive Clause, below. HCDE/CP reserve the right to modify the Administrative Fee at any time, upon notice to Vendor. The invoice for the Administrative Fee will be based on total sales made through this Contract. Vendor shall remit payment of the HCDE/CP Fee to HCDE/CP no later than **thirty (30)** days following the end of the month. Failure to pay the HCDE/CP Administrative Fee in a timely manner may result in Vendor breaching this Contract and may result in HCDE/CP suspending or terminating this Contract. Vendor shall honor and pay HCDE/CP the HCDE/CP Administrative Fee for any sales resulting from this Contract that occurred within **thirty (30) days** of the expiration or termination of this Contract. All rebates, discounts, and other applicable credits granted by Vendor as a result of any Supplemental Contracts entered into between Vendor and CP members shall accrue exclusively to CP member(s).

**Administrative Fee Incentive Clause.** The following incentives, or any other special circumstances, will be determined in the sole discretion of HCDE/CP and will be based on amounts actually billed by Vendor. Vendor's failure to abide by the Contract's terms and conditions, including, without limitation, Vendor's requirement to report sales to HCDE/CP, may result in HCDE/CP voiding the Administrative Fee Incentive, in HCDE/CP's sole discretion.

**One-Year Term(s)**

- **Gross sales above \$5M invoiced by Choice Partners = 2% for remainder of the then-current Contract Term**
- **Subsequent renewal 1-year Term = 2.75% and Vendor must maintain production of \$5M to keep 2.75% fee for the next subsequent renewal 1-year Term**

**Individual Job Orders**

- **\$2M or above = 2.5% only in the Contract Term in which they are invoiced**
- **\$1M or above = 2.75% only in the Contract Term in which they are invoiced**

5.31. **Records Retention**

Vendor shall maintain its records and accounts in a manner that shall assure a full accounting for all product(s) and/or service(s) provided by the Vendor to HCDE/CP and/or CP members under this Contract. These records and accounts shall be retained by Vendor and made available for review and copying by HCDE/CP and CP members for a period of **not less than three (3) years** from the date of completion of the service(s), receipt of product(s), the date of the receipt by HCDE/CP or the CP member of Vendor's final invoice or claim for payment in connection with this Contract, or the date HCDE/CP or the CP member makes final payments and closes pending matters in connection with a federal grant, whichever is later. If an audit or a compliance review has been announced, the Vendor shall retain its records and accounts until such audit or compliance review has been completed.

When federal funds are expended by HCDE or any CP member pursuant to this Contract, Vendor certifies that it will comply with the record retention requirements detailed in 2 CFR § 200.333. Vendor further certifies that Vendor will retain all records as required by 2 CFR § 200.333 for a period of three years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

5.32. **Right to Review, Audit and Inspect**

HCDE/CP, CP members, any federal agency that has awarded federal funds/grant(s) to HCDE/CP or a CP member, and the Comptroller General of the United States, and/or any of their authorized representatives, shall, upon written notice, have the right to audit and examine all of Vendor's records and accounts relating to this Contract and inspect any project performed by the Vendor relating to this Contract. Records subject to audit/review shall include, but are not limited to, all Purchase Orders and/or Job Orders resulting from this Contract and records which may have a bearing on matters in connection with the Vendor's work for HCDE/CP and/or CP members, and shall be open to inspection and subject to audit/review and/or reproduction by HCDE/CP, CP member, and/or their authorized representative(s) to the extent necessary to adequately permit evaluation and verification of:

5.32.1. Vendor's compliance with this Contract and the requirements of the CSP.

5.32.2. Compliance with procurement laws, policies, and procedures, including, without limitation, reviewing/comparing pricing on invoices and the appropriate Unit Price Book for JOC work performed for HCDE/CP and/or CP members.

5.32.3. Compliance with provisions for computing billings to HCDE/CP and/or to CP members.

5.32.4. Any other matter related to this Contract.



5.33. **Indemnification**

VENDOR SHALL INDEMNIFY AND HOLD HARMLESS HCDE/CP AND EACH CP MEMBER, INCLUDING HCDE'S AND CP MEMBERS' TRUSTEES, OFFICERS, ADMINISTRATORS, EMPLOYEES, AND AGENTS, FROM ALL CLAIMS, LIABILITIES, COSTS, SUITS OF LAW OR IN EQUITY, EXPENSES, ATTORNEYS' FEES, FINES, PENALTIES OR DAMAGES ARISING FROM ACTS OR OMISSIONS OF VENDOR, VENDOR'S EMPLOYEES, AGENTS, OR SUBCONTRACTORS, IN CONNECTION WITH THIS CONTRACT, INCLUDING WITHOUT LIMITATION, THOSE ARISING FROM CLAIMED INFRINGEMENT OF ANY PATENTS, TRADEMARKS, COPYRIGHT OR OTHER CORRESPONDING RIGHT(S) WHICH IS RELATED TO ANY ITEM VENDOR IS REQUIRED TO DELIVER. VENDOR'S OBLIGATIONS UNDER THIS CLAUSE SHALL SURVIVE ACCEPTANCE AND PAYMENT BY HCDE/CP OR THE CP MEMBER.

5.34. **Governing Law and Exclusive Venue**

The laws of the State of Texas, without regard to its provisions on conflicts of laws, govern this Contract. Any dispute under this Contract involving HCDE/CP must be brought exclusively in the state and federal courts located in Houston, Harris County, Texas. Any dispute not involving HCDE/CP but involving a CP member and Vendor shall be governed by the laws of the state of the CP member, without regard to its provisions on conflicts of laws, and exclusive jurisdiction and venue shall lie in the city, county, and state of the CP member.

5.35. **Multiple Contract Awards; Non-Exclusivity**

HCDE/CP reserves the right to award multiple contracts under the CSP, including multiple contracts for each product/service category. Product/Service categories are established at the sole discretion of HCDE/CP. Nothing in this Contract may be construed to imply that Vendor has the exclusive right to provide products and/or services to HCDE/CP and/or CP members. During the Term of this Contract, HCDE/CP and CP members reserve the right to use all available resources to procure other products and/or services as needed and doing so will not violate any rights of Vendor. In the event that a Vendor has an existing HCDE/CP contract in the same contract title, upon award the new contract will immediately supersede the older contract.

5.36 **New Products**

New products that meet the specifications detailed in the CSP may be added to this Contract, with prior written approval from HCDE/CP. Pricing of any new products shall be equivalent to the percentage discount or proposed prices for other similar products. Vendor may replace or add products to the contract if: the replacing products are equal to or superior to the original products offered or discounted in a similar degree or to a greater degree and the products meet the requirements of the CSP. No products may be added to avoid competitive procurement procedures. HCDE/CP may reject any proposed additions, without cause, in its sole discretion.

5.37. **No Substitution; Product Recall**

Any Purchase Order issued pursuant to this Contract shall conform to the specifications and descriptions identified in this Contract and the CSP. Vendor shall not deliver substitutes without prior written authorization from HCDE/CP or the CP member.

If a product recall is instituted on any good that has been furnished and delivered to HCDE/CP or any CP member, Vendor must immediately (i.e., within 24 hours but preferably sooner) notify the purchasing agent of HCDE/CP and the purchasing CP member by e-mail or in writing and must include all pertinent information relating to the recall. If Vendor is unable to contact the purchasing agent, Vendor must contact the Director of Purchasing of HCDE/CP and the purchasing CP member. Vendor will be responsible for all costs associated with replacing the recalled product, including replacement cost, shipping charges, etc. This requirement shall survive payment and acceptance of the goods.

5.38 **Penalties**

If the Vendor is unable to provide the product(s) or services at the prices quoted in Vendor's proposal or if Vendor fails to fulfill or abide by the terms and conditions of the Contract, the CSP, or a Supplemental Contract, HCDE/CP or the CP member may take the following action(s), in the sole discretion of HCDE/CP or the CP member, and Vendor agrees to comply with the chosen action(s):

- 5.38.1 Insist that the Vendor honor the quoted price(s) specified in Vendor's proposal or the Supplemental Contract, as applicable;
- 5.38.2 Have the Vendor pay the difference between the Vendor's price and the price of the next acceptable proposal, as determined by HCDE/CP or the CP member;
- 5.38.3 Have the Vendor pay the difference between Vendor's price and the actual purchase price of the product or service on the open market; and/or
- 5.38.4 Recommend to HCDE Board of Trustees that the Vendor no longer be given the opportunity to submit a proposal to HCDE/CP and/or that this Contract be terminated.

5.39. **Promotion of Contract Marketing Plan**

The marketing of Vendor's company, product, and/or services shall be the sole responsibility of Vendor. HCDE/CP may only supply Vendor with CP members' contact lists that contain name, address, phone numbers, and/or email addresses. Other items geared toward the joint-marketing of HCDE/CP and Vendor's company, product, and/or services shall be at HCDE/CP's sole discretion. Encouraging CP members to circumvent this Contract by purchasing directly from Vendor may result in suspension or termination of this Contract. For so long as this Contract is valid and enforceable between the parties, Vendor agrees to display the CP seal in its marketing collateral materials, such as Vendor's website and related marketing materials. Vendor shall submit all promotional materials to HCDE/CP and obtain written approval before Vendor finalizes or publishes promotional material bearing the HCDE/CP or HCDE/CP name or seal. Vendor may not release any press release or other publication regarding this Contract or HCDE/CP unless and until HCDE/CP first approves the press release or publication in writing.

5.40. **Website Support**

Vendor agrees to cooperate with HCDE/CP in publicizing contract particulars on the CP website. Vendor also agrees to work with HCDE/CP in updating and maintaining current information on Vendor activities related to the Contract on the CP website. Vendor agrees to provide an electronic version of its logo for use on the CP website upon Contract award and provide other information as reasonably requested by HCDE/CP to help ensure that the CP website is current and consistently updated.

5.41. **Safety**

Vendor, its subcontractor(s), and their respective employees shall comply fully with all applicable federal, state, and local safety and health laws, ordinances, rules, and regulations in the performance of services under this Contract, including, without limitation, those promulgated by HCDE/CP, CP members, and by the Occupational Safety and Health Administration ("OSHA"). In case of conflict, the most stringent safety requirements shall govern. Vendor shall comply with all other safety guidelines and standards as required by HCDE/CP or CP members. Vendor shall indemnify and hold HCDE/CP and/or the CP member harmless from and against all claims, demands, suits, actions, judgments, fines, penalties, and liability of every kind arising from the breach of Vendor's obligations under this provision.

5.42. **Workforce**

Vendor shall employ only orderly and competent workers, skilled in the performance of the services, if any, which shall be performed under this Contract. Vendor, its employees, subcontractors, and subcontractor's employees may not use or possess any firearms, alcoholic or other intoxicating beverages, illegal drugs or controlled substances while on the job or on HCDE/CP and CP members' property, nor may such workers be intoxicated or under the influence of alcohol or drugs on HCDE/CP and CP members' property.

5.43. **Supplemental Contracts**

A CP member and Vendor may enter into a separate, Supplemental Contract. Any Supplemental Contract developed as a result of this Contract and/or the CSP is exclusively between the CP member and Vendor and shall have no effect or impact on HCDE, any other CP member, or this Contract. Any Supplemental Contract between Vendor and a CP member is exclusively between that specific CP member and Vendor and will be subject to immediate cancellation by the CP member (without penalty to the CP member) if, in the opinion of the CP member, the quality, service, and specification requirements, and/or the terms and conditions are not maintained as stated in the Supplemental Contract. Vendor shall promptly notify HCDE/CP of any Supplemental Contract executed between Vendor and a CP member.

5.44. **Insurance**

Vendor is required to provide HCDE/CP and/or the CP member with copies of certificates of insurance, naming HCDE/CP and/or the CP member as additional insured's for Texas Workers Compensation and General Liability Insurance, **within 14 business days of contract award and prior to the commencement of any work under this Contract.** Certificates of Insurance, name and address of Vendor, the limits of liability, the effective dates of each policy, and policy number shall be delivered to HCDE/CP and/or the CP member prior to commencement of any work under this Contract. The insurance company insuring Vendor shall be licensed in the State of Texas or the state in which the CP member is located, and shall be acceptable to HCDE/CP and/or the CP member. Vendor shall give HCDE/CP or the CP member a **minimum of ten (10) days'** notice prior to any modifications or cancellation of said policies of insurance. Vendor shall require all subcontractors performing any work under or relating to this Contract to maintain coverage as specified below. Vendor shall, at all times during the Term of this Contract, maintain insurance coverage with not less than the type and requirements shown below. If the CP member has higher insurance requirements than those listed below, such may be added to the Purchase Order. Such insurance is to be provided at the sole cost of the Vendor. These requirements do not establish limits of Vendor's liability.

All policies of insurance shall waive all rights of subrogation against HCDE, CP members, and HCDE/CP and CP members' officers, employees and agents.

Upon request, certified copies of original insurance policies shall be furnished to HCDE/CP and/or to CP members.

HCDE/CP and the CP member, as requested, shall be named as an "additional insured" on insurance policies.

HCDE/CP and the CP member reserve the right to require additional insurance should HCDE/CP or the CP member deem additional insurance necessary, in their sole discretion.

- Workers Compensation (with waiver of subrogation to HCDE/CP and the CP member) Employer's Liability, including all states, U.S. Longshoremen, Harbor Workers and other endorsements.
- Statutory, and Bodily Injury by Accident: \$100,000 each employee. Bodily Injury by Disease: \$500,000, policy limit \$100,000 each employee.
- Commercial General Liability Occurrence Form including, but not limited to, Premises and Operations, Products Liability Broad Form Property Damage, Contractual Liability, Personal and Advertising Injury Liability and where the exposure exists, coverage for watercraft, blasting collapse, and explosions, blowout, cratering and underground damage. \$300,000 each occurrence Limit Bodily Injury and Property Damage combined. \$300,000 Products-Completed Operations Aggregate Limit \$500,000 per Job Aggregate. \$300,000 Personal and Advertising Injury Limit.
- Automobile Liability Coverage: \$300,000 Combined Liability Limits Bodily Injury and Property Damage Combined.

5.45. **Participation in HCDE/CP**

Vendor acknowledges and agrees that continued participation in the HCDE/CP cooperative purchasing program is subject to HCDE/CP's sole discretion and that Vendor may be removed from the HCDE/CP program at any time, with or without cause, in HCDE/CP's sole discretion. All work resulting from this Contract must cease immediately after completion of the final accepted Purchase Order/Job Order. Nothing in this Contract or in any other communication between HCDE/CP and Vendor may be construed as a guarantee that HCDE/CP or CP members will submit any Purchase Order/Job Order to Vendor at any time.

At a minimum, to continue participation in the HCDE/CP cooperative purchasing program, Vendor must:

- Submit detailed monthly reports of all sales activity (such report is required even if there is no sales activity for a given month);
- Timely remit Administrative Fee(s) to HCDE/CP;

- Market Choice Partners, including inclusion of CP seal on Vendor's website, development and execution of marketing plan, and participation in at least 5 of marketing events (such as trade shows and conferences) annually;
- Maintain a minimum annual sales activity of \$15,000;
- Completion of all required forms (such as Form 1295, EDGAR Certifications, etc.); and
- Maintain required insurance and submit updated certificate(s) to CP annually

5.46. **No Agency or Endorsements**

It is the intention of the parties to this Contract that Vendor is independent of HCDE/CP and CP members, is an independent contractor, and is not an employee, agent, joint venturer, or partner of HCDE/CP or any CP member. 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/CP and Vendor, any CP member and Vendor, HCDE/CP and any of Vendor's agents, or any CP member and any of Vendor's agents. Vendor has no power or authority to assume or create any obligation or responsibility on behalf of HCDE/CP or any CP member, and HCDE/CP and HCE members have no power or authority to assume or create any obligation or responsibility on behalf of Vendor. This Contract shall not be construed to create or imply any partnership, agency, or joint venture, nor shall it be construed or deemed an endorsement of a specific company or product. Vendor agrees that HCDE/CP and CP members have no responsibility for any conduct of any of Vendor's employees, agents, representatives, contractors, or subcontractors.

5.47. **Equal Opportunity**

It is the policy of HCDE/CP not to discriminate on the basis of race, color, national origin, gender, limited English proficiency or handicapping conditions in its programs. Vendor agrees not to discriminate against any employee or applicant for employment to be employed in the performance of this Contract, with respect to hire, tenure, terms, conditions and privileges of employment, or a matter directly or indirectly related to employment, because of age (except where based on a bona fide occupational qualification), sex (except where based on a bona fide occupational qualification) or race, color, religion, national origin, or ancestry. Vendor further agrees that every subcontract entered into for the performance of this Contract shall contain a provision requiring non-discrimination in employment herein specified, binding upon each subcontractor. Breach of this covenant may be regarded as a material breach of the Contract.

5.48. **Force Majeure**

Neither HCDE, any CP member, or Vendor shall be deemed to have breached any provision of this Contract as a result of any delay, failure in performance, or interruption of service resulting directly or indirectly from acts of God, network failures, acts of civil or military authorities, civil disturbances, wars, energy crises, fires, transportation contingencies, interruptions in third-party telecommunications or Internet equipment or service, other catastrophes, or any other occurrences which are reasonably beyond HCDE, any CP member, or Vendor's control.

HCDE, CP members, and Vendor are required to use due caution and preventive measures to protect against the effects of force majeure, and the burden of proving that a force majeure event has occurred shall rest on the party seeking relief under this provision. The party seeking relief due to force majeure is required to promptly notify the other parties in writing, citing the details of the force majeure event and relief sought, and shall resume performance immediately after the obstacles to performance caused by a force majeure event have been removed, provided the Contract has not been terminated. Delay or failure of performance, by either party to this Contract, caused solely by a force majeure event, shall be excused for the period of delay caused solely by the force majeure event. HCDE, CP members, and Vendor shall not have any claim for damages against any other party resulting from delays caused solely by force majeure. Notwithstanding any other provision of this Contract, in the event the Vendor's performance of its obligations under this Contract is delayed or stopped by a force majeure event, HCDE/CP shall have the option to terminate this Contract. This section shall not be interpreted as to limit or otherwise modify any of HCDE's or CP members' contractual, legal, or equitable rights.

5.49. **Severability**

In the event 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, illegal, or unenforceable provision had never been contained in it.

**5.50. Waiver**

No failure on the part of either party at any time to require the performance by the other party of any term hereof shall be taken or held to be a waiver of such term or in any way affect such party's right to enforce such term, and no waiver on the part of either party of any term hereof shall be taken or held to be a waiver of any other term hereof or the breach thereof. No waiver, alteration, or modification of any of the provisions of this Contract shall be binding unless in writing and signed by duly authorized representatives of the parties hereto.

**5.51. Entire Agreement**

The Contract, the CSP, Vendor's proposal submitted in response to the CSP, the attached and incorporated attachments, addendum, and/or exhibits, if any, and the Supplemental Contract, if any, contain the entire agreement of the parties relative to the purpose(s) of the Contract and supersede any other representations, agreements, arrangements, negotiations, or understandings, oral or written, between the parties to this Contract. In the event of a conflict between this Contract and the CSP or Vendor's proposal submitted in response to the CSP, this Contract shall control. In the event of a conflict between the CSP and Vendor's proposal submitted in response to the CSP, the CSP shall control. This Contract supersedes any conflicting terms and conditions on any Purchase Order/Job Order, invoices, checks, order acknowledgements, forms, purchase orders, or similar commercial documents relating hereto and which may be issued by Vendor after the Effective Date of this Contract.

In addition to this Contract, a Supplemental Contract between Vendor and the CP member may be established to further detail the terms and conditions of the CP member's specific project. In the event of a conflict between this Contract and the Supplemental Contract, as to HCDE, this Contract shall prevail. In the event of a conflict between this Contract and the Supplemental Contract, as to the CP member, the Supplemental Contract shall prevail unless the Supplemental Contract states otherwise.

**5.52. Interpretation**

Vendor agrees that the normal rules of construction that requires that any ambiguities in this Contract are to be construed against the drafter shall not be employed in the interpretation of this Contract.

**5.53. Notice**

Any notice provided under the terms of this Contract by the parties to any other shall be in writing and shall be given by hand-delivery or by certified or registered mail, return receipt requested. Notice shall be sufficient if made or addressed to the party at the address listed in the signature line of this Contract. Notice shall be deemed effective upon receipt. Each party may change the address at which notice may be sent to that party by giving notice of such change to the other party by certified mail, return receipt requested.

**5.54. Captions**

The captions herein are for convenience and identification purposes only, are not an integral part hereof, and are not to be considered in the interpretation of any part hereof.

**5.55. Certifications**

Vendor hereby certifies that it is not a company identified on the Texas Comptroller's list of companies known to have contracts with, or provide supplies or services to, a foreign organization designated as a Foreign Terrorist Organization by the U.S. Secretary of State. Vendor further certifies and verifies that neither Vendor, nor any affiliate, subsidiary, or parent company of Vendor, if any (the "Vendor Companies"), boycotts Israel, and Vendor agrees that Vendor and Vendor Companies will not boycott Israel during the term of this Agreement. For purposes of this Agreement, the term "boycott" shall mean and include terminating business activities or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory.

Vendor certifies and agrees that it shall not assist an employee, contractor, or agent of HCDE or of any other school district in obtaining a new job if the Vendor knows, or has probable cause to believe, that the individual

engaged in sexual misconduct regarding a minor or student in violation of the law. Routine transmission of an administrative or personnel file does not violate this prohibition. *See* HCDE Policy CJ (Legal) and (Local).

#### 5.56.1 **USDA/TDA Special Terms and Conditions**

The following terms and conditions apply to all procurements and purchases involving federal School Nutrition Program funds. In the event of a conflict or inconsistency between the following terms and conditions and any provision of the Agreement, the procurement solicitation issued by HCDE, or the portion of Vendor's proposal submitted in response to HCDE's procurement solicitation that is satisfactory to HCDE, the following terms and conditions shall control.

##### **5.56.1. Market Basket Analysis**

HCDE/CP reserves the right, in its sole discretion, to use a "Market Basket Analysis" method, as that term is defined by applicable USDA/TDA regulations and guidance. The Market Basket Analysis sample is established to represent 75% of the total estimated value of the Contract. The most recent velocity/sales report(s) from HCDE/CP's current supplier(s) was used to project the balance of the year and adjusted for any estimated change in menu and participation for the following year. As a result, this list of [100] goods to be purchased under this procurement solicitation and any resulting Contract includes the top [60] goods purchased by dollar volume representing the 75% threshold. Prices for the remaining [40] goods listed in this procurement solicitation should also be included, though they will not be a part of the Market Basket Analysis. The Market Basket Analysis shall not be used for service or equipment contracts/procurement solicitations or for Fee-For-Service Processing contracts.

##### **5.56.2 Material Change**

If a material change (as the term is defined by TDA rules and regulations) to a contract entered into between HCDE/CP and Vendor occurs, then the contract will not be renewed upon the conclusion of its term. Upon the expiration of the term, HCDE/CP may issue a new RFP for the goods or services procured under the previously-existing contract. Material change for purposes of this Section 5.56.2 means a modification that substantially exceeds the terms of the original contract between HCDE/CP and Vendor.

##### **5.56.3 Supplemental Contracts**

Supplemental Contracts are entered into pursuant to the piggyback method delineated in the U.S. Department of Agriculture directive SP 35-2012. Should the "piggybacking" result in a material change to the Contract, HCDE/CP will proceed under Section 5.56.2 of this RFP.

##### **5.56.3 New Products**

During the Term of a Contract awarded under this RFP, additional purchases not included in the original RFP list and resulting awarded contract may become necessary and benefit HCDE/CP members. Vendor and HCDE/CP agree that the aggregate value of added purchases during each year of the Contract (if renewed) shall not exceed 10% of the estimated total value of the Contract. The total value of the Contract must be agreed upon, and the dollar value listed in the Contract and each renewal term of the Contract (if any). For purposes of this section, the total value of the Contract includes all contracts awarded as a result of the procurement solicitation to all vendors. For the initial Term of a Contract awarded under this RFP, Vendor and HCDE/CP agree that the total value of the Contract shall be \$ [REDACTED]. Additions of new products may be included in the awarded Contract list during the renewal of the Contract through an amendment to the Contract, and the total Contract value adjusted accordingly. For each renewal term of the Contract, the total actual value of the Contract in the preceding year and the additional new product(s) made during that Term will be the basis for determining the maximum dollar amount (not to exceed 10%) of the additional new product(s) that will be allowed during the next Contract renewal term.

##### **5.56.4 Bonds**

Vendor shall provide all bonds, including bid guarantee, performance bond, and payment bond, as applicable under U.S. Department of Agriculture and/or Texas Department of Agriculture rules.

##### **5.56.5 Use by Other Governmental Entities**

In the event that HCDE/CP allows other governmental entities to "piggyback" onto any existing contract between HCDE and Vendor entered into pursuant to this procurement solicitation, Vendor agrees and understands that

such other governmental entities may include “school food authorities,” as that term is used in SP 35-2012. Should the “piggybacking” result in a material change to the Agreement for purposes of USDA/TDA purchases, HCDE/CP will proceed under the foregoing section entitled “Material Changes.”

#### **5.56.6 No Guarantee of Quantities**

Quantities for purchases paid for with School Nutrition Program funds are subject to change for various reasons, which include, but are not limited to the following: USDA commodity allocation(s), variations in student population, production item substitution(s), changes in consumer taste or expectations, pricing, and nutrition regulatory changes.

#### **5.56.7 Buy American Act**

The Buy American Act, set forth in 7 C.F.R. Part 210.21(d), requires that participants in the National School Lunch Program and School Breakfast Program use the federal nonprofit food service funds, to the maximum extent practical, to buy domestic commodities or products for Program meals. 7 CFR Part 210.21(d) defines a “domestic commodity or product” as one that is either produced in the U.S. or is processed in the U.S. substantially using agricultural commodities that are produced in the U.S. “Substantially” means that over 51 percent of the final processed product consists of agricultural commodities that were grown domestically.

Because many HCDE/CP members participate in the National School Lunch Program and School Breakfast Program, HCDE/CP requires Vendor to certify whether its products are “domestic commodities or products”, as defined by 7 C.F.R. Part 210.21(d). Accordingly, Vendor agrees to provide certification and any necessary documentation requested by HCDE/CP member that the food product was processed in the U.S. and the percentage of U.S. content, by weight or volume, in the food component of processed food products supplied to HCDE/CP members. When USDA Foods items are manufactured into processed end products, 51% of resulting food products must be of United States origin.

Exceptions to the Buy American provision should be used as a last resort; however, an alternative or exception may be approved by the CP member, upon request. To be considered for an exception to the Buy American provision, Vendor may submit a good faith request for an exception, certifying that Vendor reasonably believes that:

- (a) the product is not produced or manufactured in the U.S. in sufficient and reasonable available quantities of a satisfactory quality (i.e., there is no alternative source that can provide a domestic product and/or there is no substitute domestic food product for this food product); and/or
- (b) the costs of a U.S. product are significantly higher than the non-domestic product (i.e., the cost difference in purchasing a domestic product is unreasonable).

Vendor further agrees to provide HCDE/CP members with documentation verifying that a domestic product is not available and the cost range is reasonable within a reasonable time upon request by HCDE/CP members.

In the event Vendor or Vendor’s supplier(s) are unable or unwilling to certify compliance with the Buy American Provision, or the applicability of an exception to the Buy American provision, HCDE/CP members may decide not to purchase from Vendor and/or HCDE/CP may terminate this Contract if Vendor is incapable of fulfilling the terms and conditions of the Contract, including the Buy American requirements.

Additionally, HCDE/CP members may require country of origin on all products and invoices submitted for payment by Vendor, and Vendor agrees to comply with any such requirement.

#### **5.56.8 Records Retention**

When school nutrition program funds are expended by HCDE or any CP member pursuant to this Contract, Vendor certifies that it will comply with the record retention requirements promulgated by USDA/TDA. Vendor further certifies that Vendor will retain all records as required by USDA/TDA for a period of five (5) years after the end of the fiscal year to which the documentation/records pertain. Vendor further certifies that these records must be accessible to appropriate HCDE/CP member and federal or state reviewers. *See TDA ARMS Manual, 17.107.*

## 6.0 SCOPE OF PROPOSAL

**\*\*\* Proposers MUST respond to the job order contracting component and MAY respond to the maintenance component. Stated differently, Proposers have two options: (1) submit a proposal for the job order contracting component only, or (2) submit a proposal for both the job order contracting component and the maintenance component. Proposers may NOT submit a proposal for the maintenance component only; proposals that are received for the maintenance component only will be considered unresponsive to this CSP. \*\*\***

- 6.1. It is the intention of HCDE/CP to establish one or more contracts to furnish and/or deliver **INSERT**. For the JOC component of this CSP, it is the intention of HCDE/CP to establish one or more contracts as a result of this Job Order Contracting CSP for use by HCDE/CP and CP members for job order contracting, including the maintenance, repair, alteration, renovation, remediation, or minor construction of a facility when the work is of a recurring nature but the delivery times, type, and quantities of work are indefinite.
- 6.2. Vendors are requested to submit a proposal offering their total line of available products and services that are commonly purchased by governmental entities and school districts. Vendors are encouraged to offer any applicable terms and conditions that should be included for any additional product or service. HCDE/CP reserves the right to accept or reject any items included by Vendor in this section. Awards will be made to the successful Vendor(s) for the total line of products and services submitted. Proposals can be made for any or all services and products described herein. The terms and conditions listed below apply to all categories and lots.

**For the maintenance component of this CSP**, Vendors may submit time and materials pricing, including a discount off of a catalog or price list for supplies, materials, and equipment, and an hourly not-to-exceed rate for labor. HCDE and CP members should only use contracts awarded for the maintenance component of this CSP for maintenance services and not for public works/construction. **The final determination of whether a particular project is a maintenance project and therefore can be procured under Section 44.031(a) of the TEX. EDUC. CODE and not under Chapter 2269 of the TEX. GOV'T. CODE is made by the CP Member issuing the Purchase Order, or HCDE (if HCDE/CP is issuing the Purchase Order).**

**For the JOC component of this CSP**, Vendors are required to submit a **coefficient proposal** based on their products and services as listed in the Unit Price Book(s) based on the CSI's Master Format Division Numbers. The coefficient should include the provision of reasonable oversight by Vendor. **The Vendor's coefficient proposal shall include all overhead items**, including but not limited to, vehicles and fuel, communication equipment, computers, printers, programs, insurance, transportation, maintenance, CP Fee, final site cleanup and all contingencies. Vendor should also include as part of its coefficient those services that are required to obtain building permits and meet local and state standards for design and oversight. Services may be provided via Vendor's own staff, subcontractors, or working with the CP Member's managers, architects and engineers, wherever such professional architectural and engineering services are required.

Selection of architects, engineers, and other professional services shall be in accordance with applicable law, including Chapter 2224 of the Texas Government Code. If a Job Order or an order issued under this JOC/CSP requires **architectural or engineering services** that constitute the practice of architecture within the meaning of Chapter 1051, Texas Occupations Code, or the practice of engineering within the meaning of Chapter 1001, Occupations Code, the CP Member must select or designate the architect or engineer to prepare the construction documents for the project. This requirement does not apply to a Job Order contract or an order issued under this JOC/CSP for industrialized housing, industrialized buildings, or relocatable educational facilities subject to and approved under Chapter 1202, Texas Occupations Code, if the Vendor employs the services of an architect or engineer who approves the documents for the project. TEX. GOV'T. CODE § 2269.408.

### 6.3 Job Order Process for JOCs and Purchase Order Process for Maintenance Services



The following provisions shall apply to all Job Orders issued pursuant to the Job Order Contracting Component of this CSP and shall also apply, as applicable, to all Purchase Orders issued for Maintenance Services issued pursuant to the Maintenance Component of this CSP.

6.3.1. The CP Member may make a **JOB ORDER QUOTE REQUEST** or a **PURCHASE ORDER MAINTENANCE QUOTE REQUEST** of a Vendor via phone, the web, e-mail, fax, or in person. The Vendor may not refuse to perform any project requested by a CP member unless such project is unlawful. Upon notification of a pending request, the Vendor shall make contact with the CP Member as soon as possible, but at least within two business days. As projects are identified, the Vendor will participate in a joint scope meeting, at which time a Job Order Quote Request for the individual project(s) will be explained to the Vendor and the Vendor will be provided an opportunity to ask questions and inspect the site. If necessary or requested by the CP member, Vendor shall visit the CP member's site and conduct a walk-through/project scoping with the CP Member's representative to define the Scope of Work. Vendor shall perform due diligence to request and gather pertinent information, including existing conditions and CP Member documents, including, but not limited to, hazardous materials surveys and other relevant documents.

**Conditions Affecting the Work.** Vendor is responsible for having taken steps reasonably necessary to ascertain the nature and location of the work and the general and local conditions that can affect the work or its costs. Any failure by the Vendor to have done so does not relieve the Vendor from responsibility for successfully performing the work without additional expense to the CP Member. Vendor shall promptly, and before conditions are disturbed, give written notice to the CP Member of (1) subsurface or latent physical conditions at the site that differ materially from those indicated in the Purchase Order, Job Order/Work Order, drawings, or specifications; or (2) unknown physical conditions at the site of an unusual nature that differ materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Purchase Order, Job Order, drawings, or specifications. By beginning any portion of the work, Vendor acknowledges that Vendor is satisfied as to the character, quality, and quantity of surface and subsurface materials or obstacles to be encountered insofar as this information is reasonably ascertainable from an inspection of the site, including all exploratory work done by the CP Member, as well as from the drawings and specifications. The CP Member assumes no responsibility for any understandings or representations concerning conditions made by any of its officers or agents before execution of this Contract or a Purchase Order or Job Order, unless such understanding or representations by the CP Member are expressly stated in the Purchase Order or Job Order.

**Record "As Built" Drawings (if any).** Vendor shall review all drawings furnished to Vendor immediately upon receipt and shall promptly notify the CP member of any discrepancy. Vendor shall compare all drawings and verify the figures before laying out the work and will be responsible for any errors that may have been avoided thereby. Throughout the progress of the work, the Vendor must keep a master set of prints on the job site, on which is kept a complete, careful and neat record of all deviations from the drawings made during the course of the work. Any deviation from the drawings or specifications made by Vendor without prior written approval from the CP member (or HCDE, if the work is for HCDE) shall be at Vendor's own risk and expense.

Upon completion of construction, the "as built" prints must be certified as to their correctness by the signature of the Vendor and turned over to the architect/engineer of record for use in preparing a permanent set of "as built" drawings within thirty (30) calendar days after completion of construction.

In addition to reproducible submissions, the Vendor should submit a CADD system (when requested) electronic file for "as built" documents prepared with a CADD system compatible with the CP Member's CADD system identified by the CP Member's representative. The CP Member reserves the right to review "as built" documents at any time. Costs associated with the preparation and completion of the "as built" drawings shall be part of the Vendor's multiplier.

**Materials and Workmanship.** Unless otherwise specifically provided in a Purchase Order, Job Order or Supplemental Contract, all equipment and materials incorporated in the work must be new and of the most suitable grade for the purpose intended. Unless otherwise specifically provided, reference to any equipment, material, or patented process by brand name, make, or catalog number establishes a standard of quality only. Vendor may substitute any equipment, material, or process that the CP Member finds to be equal to that named. To obtain approval to use a different equipment, material, or process, the Vendor must furnish the CP Member

with the manufacturer's name, the model number, and other identifying data and information regarding the capacity, nature, rating, and performance of the proposed substitute. If requested by the CP Member, samples must be submitted for approval at the Vendor's expense, shipping charges prepaid. Materials or processes substituted without approval may be rejected. Vendor shall be responsible for all materials delivered and work performed until completion and acceptance of the entire work by the CP Member, except for any completed unit of work which may have been previously accepted by the CP Member.

Vendor must obtain the CP member's approval of the machinery and mechanical equipment incorporated into the work. Vendor must submit samples of all materials and equipment as directed by the CP member or as required by the JOC/CSP.

All work must be performed in a skillful and workmanlike manner. The CP member may, in writing, require the Vendor to remove from the work any employee the CP member deems incompetent, careless, or otherwise objectionable.

**Associated Project Support Requirements.** Vendor shall remove movable desks and furniture in the work area and place such items back in the required location upon completion of the work. The purchase, delivery, and storage of project construction materials must not interfere with the CP member's operations.

Vendor must provide to his project offices, with minimal down time (24 hours service calls), a computer system with applicable software, including Microsoft Office, unaltered JOC project estimating software that is compatible with the most current utilized edition of RS Means, and the current edition of National Construction Estimator.

Vendor is required to furnish and maintain a field office in an awarded region, at the Vendor's expense. Utilities and water at the job sites will be furnished to the Vendor at the CP member's expense. Upon project completion, Vendor shall remove the utility and water connections at the direction of the CP member. Vendor is responsible for analyzing its electrical needs and the ability of CP member to accommodate such. Vendor shall communicate and coordinate his utility and water requests to the CP member. If additional capacity is required above and beyond the capacity that the CP member is able to provide, Vendor is responsible for arranging for the equipment, installation, and removal at Vendor's own expense. If possible, toilet facilities will be made available by the CP member, or the Vendor will make arrangements for portable toilets.

- 6.3.2. The Vendor will prepare a **JOB ORDER PROPOSAL** for the project, including a price proposal (based on the bid coefficient applied to the UPB), schedule, written Scope of Work, including the UPB and the UPB's 12-digit line number and unit description, using an automated software system that will provide a line item estimate of the individual tasks, the quantities, the city cost index, Vendor's bid coefficient, and any applicable Pass Through cost additions, and additional items within the scope of this JOC/CSP and Vendor's response to the JOC/CSP. The line items taken from the UPB and the estimated quantities totaled will be modified with the application of the city cost index and the contractor's coefficient. Any adjustment factors from division one will be added to establish the final price as agreed to for the project. Cost adjustment factors, as allowed, must clearly identify those individual tasks (line items) to which they are applicable and include corresponding percentage. Each Job Order Quote shall be good for a period of 30 days unless an extension is agreed to by Vendor and the CP Member.

In preparing the Job Order Proposal, including estimating line items for a Job Order, the Vendor shall endeavor not to micro-estimate line items. Micro-estimating is the intentional breaking down of projects into their smallest components when a single line item or two would suffice. An example is the need to replace a door where a pre-hung door and frame would be the fastest and cheapest route to use. Instead of the single line item defining the pre-hung door, the estimator breaks down this portion of the job into individual line items such as door frame, hinges and screws, which unnecessarily increases the cost to the CP Member. Vendors shall not micro-estimate, and evidence of micro-estimating will be evaluated during HCDE/CP's contract compliance audit/review.

EXAMPLE: Using sample figures from a Job Order Quote, the total cost with all of the adjustments would be as follows:

Total of divisional line items based on the quantities and unit prices from the Unit Price Book, including the OH&P column		
	\$500,000	
City Cost Index:	0.91 adjusted	\$455,000
Bid Coefficient:	0.82 adjusted	\$373,000
Premium Hours:		N/A
Davis Bacon Act:		N/A
TOTAL COST (as adjusted):		\$373,000

When providing UPB costs as part of a Job Order Proposal, Vendor shall adhere to the following:

- UPB's quotes must use the current edition.
- All work proposed under the UPB method must use the UPB format, even if subcontractors are used to do the work. Subcontractor's invoices must align to the UPB spreadsheet.
- A line item estimate **must** be submitted to substantiate the quote/Job Order Proposal given to the CP Member. Vendors must ensure that the line item estimates are expanded to show the full UPB number or a sufficient amount of the description.
- Pricing **must** be done by City Cost Index. National Average will not be allowed. To select the "closest" city cost index, the first three (3) numbers of the zip code will be used to determine the city cost index in each state. The same criteria are used by UPB.
- Vendor's bid co-efficient, bonding and permit costs, and sales taxes, if applicable, must be shown as separate line items at the bottom of the UPB line item estimate. This information may be handwritten or typed on the line item estimate or may be shown on a separate summary sheet. The summary sheet must start with the line item estimate total and show the detail for each of the items stated above.
- All change orders which list items covered by the UPB must be supported by a UPB line item estimate.

#### **Alternative Costing/Non Pre-Priced Items**

If a project/Job Order requires materials and/or services that are not covered by the UPB (i.e., Non Pre-Priced Items), the Vendor may obtain three (3) written cost proposals from local providers. The Vendor must use the most advantageous cost proposal and may add its normal and customary markup and overhead provided as part of its response to obtain the retail cost. The stated CP discount will then be taken to arrive at the CP price. All materials and services falling under this category must be submitted in advance and approved by the CP member prior to being included in any Job Order Proposal. If a material or service is required that must be custom designed and manufactured to meet an individual project site's conditions and/or provided for a unique application or project, the Vendor may provide three (3) or more written cost proposals or quotes from providers of such custom materials and services. Normal and customary markup and overhead may be added, and the CP designated discount taken. All materials and services falling in this category should be submitted in advance and approved by the CP Member prior to being included in any Job Order Quote. HCDE/CP and CP Members reserve the right to accept or reject any third-party cost proposals or quotes and/or proposed prices for Non Pre-Priced Items provided by the Vendor. If a material or service is required as part of the performance of a Job Order under this JOC and can only be obtained and/or manufactured from a single source and falls under the sole source exception to procurement requirements, the offeror must provide the CP Member with the necessary documentation to substantiate the purchasing method.

- 6.3.3. HCDE/CP and/or the CP Member will review the Job Order Quote and may request changes. Once an acceptable Job Order Quote and Scope of Work have been agreed to, the CP Member may issue a **PURCHASE ORDER AND/OR JOB ORDER** for the project, which must be signed by Vendor and the CP Member as a lump sum fixed price contract. TEX. GOV'T. CODE § 2269.410(a) ("An order for a job or project under a job order contract must be signed by the governmental entity's representative and the contractor."). **The governing body of each CP Member that is a governmental entity, as defined in Chapter 2269 of the Texas Government Code, must approve each job, task, or purchase order that exceeds \$500,000. TEX. GOV'T. CODE § 2269.403(c).**

Prior to Vendor's acceptance of any Job Order for more than \$2,000,000, Vendor must submit the Job Order to HCDE (if HCDE is issuing the Job Order), or the CP Member (if the CP Member is issuing the Job Order),

to determine whether the project is a “JOCable” project – that is, if the project constitutes maintenance, repair, alteration, renovation, remediation, or minor construction of a facility, the work is of a recurring nature, but the delivery times are indefinite, and indefinite quantities and orders are awarded substantially on the basis of pre-described and pre-priced tasks, pursuant to TEX. GOV’T. CODE § 2269.403. **The final determination of whether a particular project is a “JOCable” project and conforms to TEX. GOV’T. CODE § 2269.403 is made by the CP Member issuing a Job Order, or HCDE (if HCDE/CP is issuing the Job Order).**

The CP member reserves the right to reject a Job Order Quote or cancel a project for any reason. The Vendor shall not recover any costs arising out of or related to the development of the Purchase Order/Job Order, including, but not limited to, the costs to review the Job Order Quote Request and/or prepare a Job Order Quote.

**Vendor is required to ensure that the Purchase Order/Job Order includes the following, as applicable:**

- The contract number, lump sum price, start date, schedule, and notice to proceed. The schedule will include the mobilization, materials purchase, installation and delivery, design, weather, and site cleanup and inspection. No additional claims may be made for delays as a result of these items.
- Each individual Purchase Order/Job Order may be limited to work at a single facility and will describe the Scope of Work to be performed. Descriptions may be written, by sketch, and/or by drawing and should include the location where work is to be performed, whether work may be performed during Regular Hours, the project completion time, and the price to be paid for the work.
- The date for commencing services and/or delivery of products (“work”). Upon commencing work, the Vendor will proceed diligently toward contract completion. Any delay in the work beyond the Vendor’s control must be reported to the CP member’s authorized representative immediately.
- Compensation for received products, terms of progress payments, and a schedule of payments. The CP member retains the right to extend the schedule of work/delivery time or to suspend the work and to direct the Vendor to resume work when appropriate. The Purchase Order/Job Order must describe an equitable adjustment for added costs caused by any suspension. Any increases will be invoiced through HCDE/CP as allowed in the Contract or CSP.
- A schedule for performance of work that can be met without planned overtime, which shall be Vendor’s responsibility.
- Monthly progress reports must be given to the CP member by the Vendor. The specifics of what is reported should be described in the Purchase Order.
- Terms for acceptance by the CP member and title to work must be clearly agreed upon and described. If any part of the work requires the CP member to assume control prior to the completion, this must be defined. Vendor and the CP member must agree on the definition of what constitutes final acceptance before payment of any retained compensation.
- Terms regarding retainage or a substitute security must be clearly agreed upon, detailed, and in compliance with applicable law.

No work shall be performed until a **written Purchase Order/Job Order** has been signed by the Vendor and the CP member. Any work performed under a Purchase Order/Job Order before the Vendor’s receipt of the written Purchase Order/Job Order is at the Vendor’s risk.

Notwithstanding the foregoing, in the event of an emergency (as determined by the CP member), a portion of the Scope of Work may be issued orally by the CP member to Vendor, who is required to confirm the oral Purchase Order/Job Order by issuing a written Purchase Order/Job Order as soon as possible, but in no event less than 5 business days after the oral order is received.

After the Purchase Order/Job Order is signed, a copy of the Purchase Order/Job Order shall be sent to Choice Partners at [facilityreporting@choicepartners.org](mailto:facilityreporting@choicepartners.org).

#### 6.3.5 Performance of the Purchase Order/Job Order

On a daily basis during the progress of the work for a CP member, the Vendor must remove and dispose of the resultant dirt and debris and keep the premises clean.

#### 6.3.6 Samples, Testing

During the course of performance of the Purchase Order or Job Order, the CP Member may secure samples, according to construction industry standards, guidelines, or industry standards, of materials being used from containers at the job site, and submit them to an independent laboratory for comparison to specified material. In the event test results prove that a material is not equal to or better than specified, the Vendor shall be responsible for the costs of the tests as well as the all costs incurred to replace, remove and dispose of non-compliant materials. In the event test results provide that a material is equal to that specified, the Vendor shall be notified of the results, and the CP member shall be responsible for the costs of the tests.

#### 6.3.7 Completion of the Purchase Order/Job Order.

The Vendor shall perform the scope of work within the project completion time and for the fixed price of the Purchase Order/Job Order.

The Vendor is required to perform all work under a Purchase Order/Job Order which has been issued and received before the expiration date of this Contract. If the Purchase Order/Job Order is not received by the Vendor before the expiration date of this Contract, the Purchase Order will be considered cancelled. Purchase Orders/Job Orders sent in the last 30 days of a Term should be sent "Return Receipt Requested". Any Purchase Order/Job Order issued during the Term of the Contract and not completed before the expiration date of the Contract must be completed within the completion/delivery time stated in the Purchase Order/Job Order, and the rights and obligations of the Vendor and the CP member with respect to the Purchase Order/Job Order will be the same as if the Purchase Order/Job Order were completed during the Term of the Contract.

When the Purchase Order/Job Order has been completed, the Vendor shall notify the CP Member, and the CP Member shall inspect the work for acceptance under the scope and terms in the Purchase Order and/or Job Order. The CP Member will issue, in writing, any corrective actions/punch list items that are required, and Vendor shall promptly complete all corrective actions/punch list items. Final payment of a Purchase Order or Job Order for which progress payments have been made will not be made until the project is totally completed (including punch list items), and the final application for payment is approved and signed by the CP Member.

The Vendor shall, upon completion of the work, remove all equipment and surplus materials (except materials or equipment that are to remain at the CP member's property), and leave the premises in a clean, neat, and orderly condition satisfactory to the CP member.

Upon completion of the project, the Vendor shall deliver to the CP Member all associated as-built drawings, warranties, and owner's manuals/instructions.

## 7.0 SPECIFICATIONS

---

- 7.1 It is the intention of HCDE/CP to establish one or more contract(s) with highly qualified Vendor(s) for **INSERT**. Vendor(s) shall, at the request of HCDE/CP or any CP member, provide these products and/or covered services under the terms of this CSP and the Contract set forth in Section **5.0 Contract Terms and Conditions**. Vendor shall assist the CP member with making a determination of its individual needs.
- 7.2 **JOC Component.** The Vendor shall provide all personnel, equipment, tools, materials, supervision, and other items and services necessary to perform the JOC component of this CSP for Minor Construction, Maintenance, Repair, Alteration, Renovation, and Remediation services under the UPB and all other related services for HCDE/CP and CP members.

All division cost data has been derived from the 48 divisions according to the Construction Specifications Institute's (CSI) MasterFormat, a system of titles and numbers used extensively to organize construction information. The following will allow you to complete an accurate estimate using the Unit Price Book cost data.

1. Scope out the Project. Identify the individual work tasks that will need to be covered in your estimate.
2. Quantify the number of units required for each work task that you identified. Experienced estimators include an allowance for waste in their quantities. Waste is not included in Unit Price Line items for your estimate unless stated.
3. Price the Quantities. Use the Unit Price Table of Contents, and the Index, to locate individual Unit Price line items for your estimate.
4. Multiply the total number of units needed for your project by the total including O&P cost for each Unit Price line item.

### **IDIQ Division**

Division **xx**, **Division Title**

Master Format Line Items;

**xxxx Division Section Title**

Note: Other applicable Divisions of CSI may be covered under JOC Component Section 6.1.

**These Specifications to be used as a general guide in developing your proposal. CP members will have defined Scope of Work/Specifications for each project.**

- 7.3 **Maintenance Component.** For the maintenance component of this CSP, **Insert Description**

## 8.0 PRICING / DELIVERY INFORMATION

---

### 8.1 Pricing for the Maintenance Component of this CSP

For the maintenance component of this CSP, Vendors must provide pricing in the HCDE/CP eBid System (<https://hcdeebid.ionwave.net>) including any additional pricing examples and pricing discount schedules that need to be submitted to provide HCDE/CP with comprehensive pricing information. For the maintenance component of this CSP, Vendors may submit time and materials pricing, including a discount off of a catalog or price list for supplies, materials, and equipment, and an hourly not-to-exceed rate for labor. HCDE and CP members should only use contracts awarded for the maintenance component of this CSP for maintenance services and not for public works/construction. CP members may request the Vendor to provide discounts or other adjustments, on a per-Purchase Order basis. If discounts or quantity prices are offered by the Vendor, the Vendor must also offer the same reductions in pricing for orders of similar size to HCDE/CP and other CP members. Vendors may submit a product catalog with percentage discount(s).

#### 8.1.1 Discounts provided on price lists and catalogs – Detail the average discount provided by the Vendor on stated prices.

- Provide discount schedules for all products Vendor intends to offer, shown either by category or code. Use separate discount for any net items with description of these net items.
- Provide labor notes for each category shown that Vendor is proposing. These notes must include Vendor's overhead, profit, and HCDE/CP fees. Provide Vendor's miscellaneous material markups. If Vendor does not provide this labor classification, mark "NA" (Not Available).
- Provide a description on how Vendor intends to guarantee the performance of Vendor's labor, and what benchmark will be used to determine the labor hours for each project.
- Indicate any list price adjustment Vendor intends on providing during the contract period and on what it is based. For example: CPI.

#### 8.1.2 Hourly rates – Provide an hourly not-to-exceed rate for all categories of labor to be provided under the maintenance component of this CSP.

#### 8.1.3 Freight, Delivery, Inspection & Acceptance

All deliveries shall be **Freight Prepaid, F.O.B. Destination, Full Freight Allowed, and Inside Delivery**. Deliveries shall be made during HCDE/CP or the CP member's Regular Hours.

After a contract has been awarded, Vendor(s) shall deliver the products or services procured on this Contract to HCDE/CP or the CP member issuing a Purchase Order. The conforming product(s) shall be delivered within **ten (10) business days** of Vendor's receipt of a Purchase Order. If delivery is not or cannot be made within this time period, Vendor must receive authorization from HCDE/CP or the CP member for the delayed delivery.

If defective or incorrect products are delivered, the CP member may make the determination, at its sole discretion, to return the products to Vendor at no cost to the HCDE/CP or the CP member. Vendor agrees to pay all shipping and handling costs for any such return shipment. Vendor also shall be responsible for arranging the return of the defective or incorrect products.

HCDE/CP or the CP member issuing the Purchase Order may request emergency delivery. Vendor must use its best efforts to comply with rush or emergency requested. However, if Vendor is unable to fulfill the emergency delivery request, HCDE/CP or the CP member may procure its needs from alternative sources without penalty.

- Describe Vendor's service procedure and state the proposed time frame from customer request to product or service delivery and completed.
- Describe how Vendor deals with shipping delays. How does Vendor notify its customers of delays?

- Provide Vendor's shipping schedule reporting form. Detail how often Vendor updates the form.
- Detail Vendor's average percentage of on-time delivery.

## 8.2 **Pricing for the JOC Component of this CSP**

For the JOC component of this CSP, Vendors must provide their coefficients in the HCDE/CP eBid System (<https://hcdeebid.ionwave.net>) including any additional pricing examples and pricing discount schedules that need to be submitted to provide HCDE/CP with a comprehensive response. CP members may request the Vendor to provide discounts or other adjustments, on a per-Purchase Order basis. If discounts or quantity prices are offered by the Vendor, the Vendor must also offer the same reductions in pricing for orders of similar size to HCDE/CP and other CP members.

Vendors are required to submit a **coefficient proposal** based on their products and services as listed in the Unit Price Book(s) based on the CSI's Master Format Division Numbers. The coefficient should include the provision of reasonable oversight by Vendor. **The Vendor's coefficient proposal shall include all overhead items**, including but not limited to, vehicles and fuel, communication equipment, computers, printers, programs, insurance, transportation, maintenance, **CP Fee**, final site cleanup and all contingencies. Vendor should also include as part of its coefficient those services that are required to obtain building permits and meet local and state standards for design and oversight. Services may be provided via Vendor's own staff, subcontractors, or working with the CP Member's managers, architects and engineers, wherever such professional architectural and engineering services are required.



## **9.0 VENDOR QUESTIONNAIRE**

---

9.1 Please complete the Vendor Questionnaire attached to the proposal in the HCDE/CP eBid System


<https://hcdeebid.ionwave.net>

## **10.0 ATTACHMENTS**

---

10.1 Please complete the Attachment Packet attached to the proposal in the HCDE/CP eBid System

<https://hcdeebid.ionwave.net>

	<p><b>PROCUREMENT PROCEDURES</b></p> <p>HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	Reference: <a href="#"><u>CH (LEGAL and CH LOCAL)</u></a>
<p><b>DATE DEVELOPED: 7/1/2015</b></p> <p><b>REVISED DATE: 9/1/2017</b></p>		
<p><b>SUBJECT: Contract Prohibition with companies that boycott Israel and organizations that are identified as terrorist organizations</b></p>		

### ***Contract Prohibitions under the Government Code***

HB 89 and SB 252 were approved by the legislature and are effective 9-1-2017. [HCDE](#) must verify before contracting with a vendor that they are in compliance with HB 89 and SB 252. HB 89 has been codified under Government Code 808.51c, and SB 252 into Government Code 2252.

HCDE must verify that no company is identified on the Texas Comptroller's list of companies known to have contracts with, or provide supplies or services to, a foreign organization designated as a Foreign Terrorist Organization by the U.S. Secretary of State.

HCDE must further verify that no vendor, nor any affiliate, subsidiary, or parent company of a Vendor, if any (the "Vendor Companies"), boycotts Israel, and that no Vendor agrees that Vendor and Vendor Companies will not boycott Israel during the term of this Agreement.

For purposes of this Agreement, the term "boycott" shall mean and include terminating business activities or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory.

HCDE Divisions must obtain price or rate quotations through the following processes:

**For purchases above \$50,00** that require a formal RFP or job#, HCDE will require the certification from the vendor through the electronic bidding process. The **purchasing staff** will review the form, and verify the form by printing it, comparing it to the comptroller list and sign the form to document verification.

**For purchases below, \$50,000**, the division and purchasing office will require the certification by the awarded vendor. The **division staff** will require the form to be completed by the vendor and sent to the purchasing office prior to the PO being issued. For Payment authorizations, this form is required to be attached to the request. The **Accounts Payable Staff** will verify for this form. Vendor payment will be made until the form is attached.

The **Purchasing Staff** will review each PO and compare to the list by requiring the form to be signed by the vendor and post it on an intra net folder. This form will be required annually through the vendor packet.

Authority: **Government Code 2252 & 808.51c**



# Financial Operating Guidelines – Internal Charges Procedure for all internal divisions

Harris County Department of Education

[www.hcde-texas.org](http://www.hcde-texas.org)

## Table of Contents

### Table of Contents

Signature Page .....	2
Time and Reporting.....	3
DIVISION Billing Process for Internal Operating Services .....	4
HCDE Billing Process Chart.....	5
Internal Contract Form .....	6
Reclassification of Funds Request form .....	7

**Signature Page**

---

Assistant Superintendent for Business Services / Date

---

Chief Accounting Officer / Date

---

Senior Accountant / Date

---

Program Director / Date

---



## FOG INTERNAL CHARGES PROCEDURES

Reference:  
Edgar CFR 200 -

EFFECTIVE DATE: 9/1/2017

REVISED DATE: 9/22/2017

SUBJECT: Time and Reporting

### Time and Reporting

#### Time and Effort Record Keeping

For those personnel whose salaries **will be charged to a division**, time and effort records will be maintained by the division that will confirm the services provided. Division Manager must adjust payroll records and expenditures based on this documentation.

Copy of time and effort documents must be sent to the Business Office prior to the drawdown of state funds or billing to client.

This requirement applies to all projects, regardless of funding source. Time and effort is required if a charge is generated between HCDE divisions. Ultimately, the oversight agency will approve allocation charges.



## FOG – Internal Charges Procedures

Reference:  
EDGR CFR 200

EFFECTIVE DATE: 9/1/2017

REVISED DATE: 9/22/2017

SUBJECT: Billing Process for Internal Operating Services

### DIVISION Billing Process for Internal Operating Services

#### Processing Contracts, Quotes & Invoices from Other HCDE Divisions

1. DIVISION budget manager creates internal contract to agree on the scope and the cost. The contract must be signed by each division manager and the Asst. Supt for Business.
2. DIVISION budget manager submits Internal Contract Form to designated HCDE service division for quote of services and materials
3. Service division returns signed Internal Contract Form with quote of services and materials to DIVISION budget manager for approval
4. DIVISION budget manager submits to granting agency (if applicable) for approval.
5. Granting agency (if applicable) approves or denies request.
6. After DIVISION approves request, DIVISION budget manager signs Internal Contract Form and submits the contract to the Assistant Superintendent for Business Services for approval
7. Assistant Superintendent reviews and approves the contract. Questions will be addressed and the cleared with the Division Manager, if any. Once contract is signed, it will be returned to Division Manager who will work with the service division to complete the services.
8. When service is completed, service division submits Internal Contract Form (including time and effort for each task and any materials used) form to DIVISION budget manager and copy to Business Services.
9. DIVISION budget manager verifies that the services were satisfactory provided as indicated in the internal contract form and prepares a Reclassification of Funds Request form indicating the budget codes to be charged.
10. DIVISION budget manager approves the documents and submits to Business Services for processing **along with time and effort documents for personnel charged to DIVISION and a copy of the fully executed internal contract.**
11. Business Services will enter the charges to the general ledger via a journal entry.





## FOG – Internal Charges Procedures

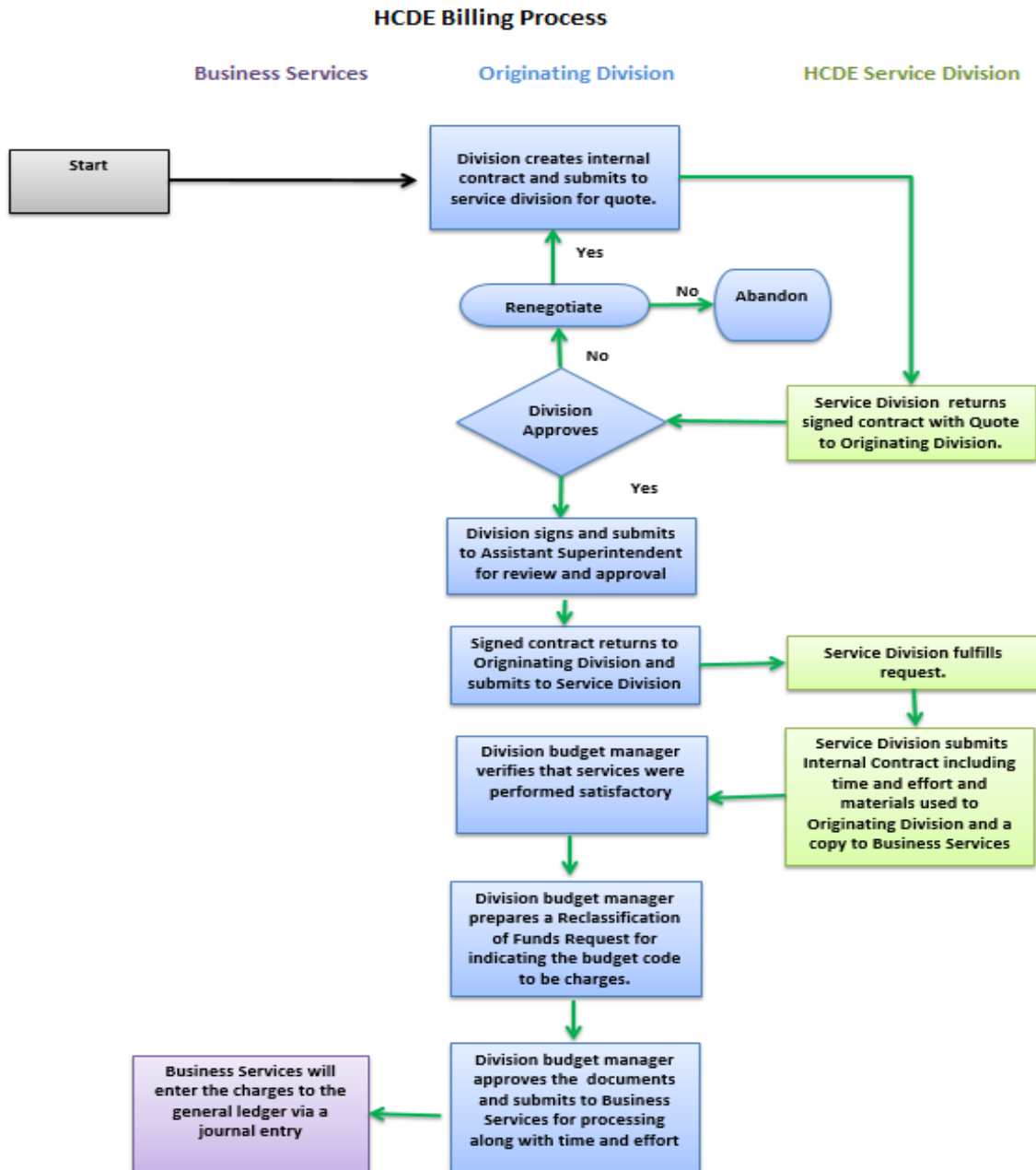
Reference:  
EDGR CFR 200

EFFECTIVE DATE: 9/1/2017

REVISED DATE: 9/22/2017

SUBJECT: Billing Process for Internal Operating Services

### HCDE Billing Process Chart





## FOG – Internal Charges Procedures


Reference:  
EDGR CFR 200

EFFECTIVE DATE: 9/1/2017

REVISED DATE: 9/22/2017

SUBJECT: Billing Process for Internal Operating Services

### Internal Contract Form

		Internal contract		
<b>Service Division:</b> [Division Name]		<b>I.C. #:</b> [100]		
<b>Contact Name:</b> [Contact Name]		<b>Date:</b> _____		
<b>Building:</b> [Building]		<b>Requested By:</b> _____		
<b>Phone:</b> [Phone]		<b>Division:</b> _____		
		<b>Phone:</b> _____		
<b>Job:</b>	<div>[Job Description]</div>			
Division Authorization: _____		Date: _____		
Service and Labor	Estimated Hrs.	Actual Hrs.	Employee lat.	Line Total
<b>SUBTOTAL</b>				\$ -
Parts and Materials	Qty	Unit Price	Line Total	
<b>SUBTOTAL</b>				\$ -
<b>TOTAL</b>				\$ -
I agree that all work has been performed to my satisfaction.				
Completed Date: _____				
Signature: _____		Date: _____		
5/26/2017				



## FOG – Internal Charges Procedures

Reference:  
EDGR CFR 200

EFFECTIVE DATE: 9/1/2017

REVISED DATE: 9/22/2017

SUBJECT: Billing Process for Internal Operating Services

### Reclassification of Funds Request form

HARRIS COUNTY DEPARTMENT OF EDUCATION Reclassification of Funds Request Form				
<i>For Business Services Purposes Only</i>				
Date:	Period:	Control #:	J.E. #:	
Division/Budget:				
Budget Code	Account Code	Explanation	Debit	Credit *
Budget Manager Approval:			Date:	
Division/Budget:				
Budget Code	Account Code	Explanation	Debit	Credit *
Budget Manager Approval:			Date:	
* When reclassifying expenditures a credit will decrease your expense. When reclassifying revenue a credit will increase your revenue.				
<b>AFTER COMPLETED PLEASE FORWARD REQUEST TO: BUSINESS SERVICES DIVISION Attn: Rosa Maria Torres</b>				
Business Services Accountant Approval:			Date:	
Business Services Approval:			Date:	



## Internal Charges Agreement

**To:** Venetia Peacock, Senior Director, Head Start Program  
**From:** Jeannette B. Truxillo, Dr.P.H, Director of Research and Evaluation Institute  
**Date:** January 12, 2017  
**Re:** Agreement for direct services provided by the Research and Evaluation Institute to the Head Start Program

---

### Background

Contracting Division: (needing the services) Head Start Division

Provider Division: (delivering services) Research and Evaluation Division

HCDE's Research and Evaluation Institute ("Institute") will work with HCDE's Head Start Program to provide project-based program evaluation services to HCDE's Head Start Program beginning January 1, 2017 through December 31, 2017. The specific services to be performed by the Institute are listed below, by project, and will be conducted throughout the 2017 calendar year according to timelines approved in writing by both Divisions.

Head Start funds will be allocated to the Institute upon completion of each project as documented by an accepted final report (deliverable). Funding is based on an hourly rate of \$45 per hour. Total funding to be allocated for all nine projects shall not exceed \$77,490 without prior written approval by the Directors of both Divisions and the Assistant Superintendent of Business Services, who will ensure that any increase in funding is allocable and warranted.

The Institute must maintain detailed records of the time and expenses associated with each project, specifically a record of the time spent on each project, the specific tasks and services performed for each time entry, the person who performed the work, and expenses, if any, incurred in performance of the service to which the Institute seeks reimbursement from Head Start funds. The Institute shall provide the detailed time and expense records to the Director of Head Start



and the Assistant Superintendent of Business Services at the completion of each project.

Both Divisions and their Directors shall ensure that all applicable laws, rules, and regulations, including but not limited to those regulations outlining direct cost allocation and recording principals, are followed. (2 C.F.R. Part 200 and Appendices). The Directors will adhere to the Internal Charges Policies and Procedures included in the Financial Operating Guidelines.

The Contracting Division will be responsible for any approvals required by the granting agency for this agreement and to determine the eligibility of costs charged to a grant.

### Specific Requirements

The Provider Division will follow time and effort standards and provide detailed costs of material, labor and overhead on the invoice to the contracting division. Labor rates will be the actual salary rates adopted by HCDE for each staff member. Material costs will be only direct materials. Overhead will be any indirect costs associated with the services such as prorated postage,

### Projected Budget and Deliverables

The 2017 projects and their projected costs per deliverable include the following:

	<u>Services</u>
Student Outcomes: data handling, analysis and reports	
1. Beginning of the year (BOY):	\$9,900
2. Middle of the year (MOY):	\$9,900
3. End of the year (EOY):	\$9,900
4. School Readiness:	\$6,480
Staff Satisfaction – Surveys, analysis and reports	
5. Fall Organizational Feedback:	\$8,100
6. Spring Organizational Feedback:	\$8,100
SuperMentor	
7. Three surveys, analysis and report:	\$13,320
Family Connection	
8. Survey, analysis and report:	\$5,850
Nutrition	
9. Survey, analysis and report:	\$5,940



## Timeline and changes

The agreement shall begin on \_\_\_\_\_ and end on \_\_\_\_\_.

Amendments to the agreement shall be in writing and cosigned by both directors prior to the end of the agreement.

## Invoices and Copy of document

Invoices shall be sent to the director for approval and then sent to the accounting office within 5 days of receipt in order for the contracting division is charged the expenditure and the providing division provided the revenue earned.

All invoices should be sent to the Chief Accounting Officer to record the appropriate revenue and expense. All invoices after 30 days of the year end will be honored and recorded.

**Approved:**

---

\_\_\_\_\_  
Jeannette Truxillo, Dr.PhD,  
Research and Evaluation Institute

\_\_\_\_\_  
Date

\_\_\_\_\_  
Venetia Peacock, M.B.A.  
Head Start Program

\_\_\_\_\_  
Date

\_\_\_\_\_  
Jesus J. Amezcua, Ph.D.  
Assistant Superintendent for Business Services

\_\_\_\_\_  
Date

## **Purchasing Contracts & Templates**

The Purchasing Division is responsible for ensuring that all purchasing transactions are in compliance with all state, local and federal regulations.

## SERVICES AGREEMENT FOR HCDE REVENUE

This Services Agreement ("Agreement") is made and entered into by and between the Harris County Department of Education ("HCDE"), located in Houston, Texas 77022, and \_\_\_\_\_ ("\_\_\_\_"), located in \_\_\_\_\_, for \_\_\_\_\_ in accordance with the terms and conditions specified herein.

### Recitals

HCDE is a local governmental entity, established to promote education in Harris County, Texas. Both \_\_\_\_\_ and HCDE desire to set forth in writing the terms and conditions of their agreement. In consideration of the mutual covenants and conditions contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties intending to be legally bound agree as follows:

1. **Purpose.** The purpose of this Agreement is to state the terms and conditions under which HCDE will provide services for \_\_\_\_\_. \_\_\_\_\_ agrees to retain HCDE and HCDE agrees to provide services to \_\_\_\_\_ and to perform the duties and all necessary labor and resources needed to provide the services set forth in Article 3 Scope of Work.

2. **Term.** This Agreement is for services beginning \_\_\_\_\_ and ending \_\_\_\_\_ ("Term"). All extensions of this Agreement shall be subject to the terms and conditions specified herein.

3. **Scope of Work.** Exhibit A includes a detailed Scope of Work that sets out the services HCDE agrees to provide.

4. **Independent Contractor Status.** It is the intention of the parties that HCDE be an independent contractor and not an employee, agent, joint venturer, or partner of \_\_\_\_\_. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between \_\_\_\_\_ and either HCDE or any employee or agent of HCDE.

5. **Changes & Amendments.** This Agreement may be amended only by the mutual agreement of the parties, in a writing to be attached to and incorporated into this Agreement. All such changes shall be made in writing and agreed to by both parties.

6. **Assignment.** Neither this Agreement nor any duties or obligations under it shall be assignable by HCDE without the prior written acknowledgement and authorization of \_\_\_\_\_.

7. **Compensation.** \_\_\_\_\_ will pay HCDE \$\_\_\_\_\_, plus expenses of \$\_\_\_\_\_ per day for services provided in Exhibit A. \_\_\_\_\_ agrees to make payment to HCDE upon \_\_\_\_\_ and upon receipt of an invoice. HCDE will invoice \_\_\_\_\_ within thirty (30) days of the completion of services.



8. **Conflict of Interest.** During the Term of HCDE's service to \_\_\_\_\_, HCDE shall not, directly or indirectly, whether for HCDE'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 \_\_\_\_\_.

9. **Warranties and Limitation of Liability.** **EXCEPT AS MAY OTHERWISE BE PROVIDED HEREIN, HCDE MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY KIND. TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, HCDE DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF PERFORMANCE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, OMISSIONS, COMPLETENESS, AND DELAYS. EXCEPT AS EXPRESSLY PROVIDED HEREIN OR AS REQUIRED BY LAW, UNDER NO CIRCUMSTANCES SHALL HCDE BE HELD LIABLE FOR EXEMPLARY, SPECIAL, PUNITIVE, CONSEQUENTIAL, OR INCIDENTAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS, BUSINESS REVENUE, OR GOODWILL DUE TO ANY CAUSE WHATSOEVER, EVEN IF HCDE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

10. **Indemnity.** \_\_\_\_\_ **SHALL INDEMNIFY AND HOLD HARMLESS BOTH HCDE AND ITS OFFICERS, AGENTS, INDEPENDENT CONTRACTORS, AND EMPLOYEES FROM ALL SUITS, ACTIONS, LOSSES, DAMAGES, CLAIMS, OR LIABILITY OF ANY CHARACTER, TYPE, OR DESCRIPTION, INCLUDING WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL EXPENSES OF LITIGATION, COURT COSTS, AND ATTORNEY'S FEES FOR INJURY OR DEATH TO ANY PERSON, OR INJURY TO ANY PROPERTY, RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ARISING OUT OF, OR OCCASIONED BY, THE ACTS OF HCDE OR ITS AGENTS, INDEPENDENT CONTRACTORS, OR EMPLOYEES, IN THE EXECUTION OR PERFORMANCE OF THIS AGREEMENT, BUT ONLY TO THE EXTENT PERMITTED BY LAW.**

11. **Performance.** HCDE further agrees that HCDE's services will be performed with reasonable care, skill, judgment, and experience, and in a professional business-like manner, with no direct supervision from \_\_\_\_\_. If HCDE is unable to complete the work in this manner based on the mutually agreed upon time, HCDE shall notify \_\_\_\_\_ in writing.

12. **Termination.** Either party for any reason upon thirty (30) days written notice may terminate this Agreement without cause. \_\_\_\_\_ will be responsible for payment for services that have been accepted by \_\_\_\_\_ up to the termination date.

13. **Force Majeure.** The parties to this Agreement 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.

14. **Intellectual Property.** HCDE represents that it has all intellectual property rights necessary to enter into and perform its obligations in this Agreement. Nothing in this Agreement grants \_\_\_\_\_ any rights

to HCDE's materials, work product, or any other intellectual property developed or used in performance of this Agreement or otherwise.

**15. Notice.** Any notice provided under the terms of this Agreement by either party to the other shall be in writing and may be affected by certified mail, return receipt requested. Notice to either party shall be sufficient if made or addressed as to the address listed below Paragraph 19.

Each party may change the address at which notice may be sent to that party by giving notice of such change to the other party by certified mail, return receipt requested.

**16. Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. The mandatory and exclusive venue for the adjudication or resolution of any dispute arising out of this Agreement shall be a court of competent jurisdiction in Harris County, Texas.

**17. No Waiver of HCDE's Immunity.** The execution of this Agreement and the performance of HCDE of any of its obligations hereunder are not, and are not intended to waive or relinquish, and HCDE shall not waive or relinquish, any governmental, sovereign immunity or defense from or to liability or prosecution available to HCDE, its trustees, officers, employees, or agents under federal or Texas laws.

**18. Entire Agreement.** The Agreement and Exhibit A represent the entire and exclusive agreement between the parties thereto and replaces in their entirety any previous agreements, written or oral.

**19. Severability.** In the event that any one or more of the provisions contained in this Agreement 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 Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

In witness whereof, \_\_\_\_\_ and HCDE have executed this Agreement to be effective on the date specified in Term above:

\_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

Harris County Department of Education

By: \_\_\_\_\_  
(Signature)

Jesus Amezcua  
Assistant Superintendent –Business Services  
6300 Irvington Blvd  
Houston, TX 77022-5618  
713-696-1371  
713-696-0740

**EXHIBIT A**  
**SCOPE OF WORK**

HCDE	( )
<ul style="list-style-type: none"><li>• Services/Obligations</li></ul>	<ul style="list-style-type: none"><li>• Obligations</li></ul>

## SERVICES AGREEMENT FOR HCDE EXPENDITURES

This Services Agreement (“Agreement”) is made and entered into by and between the Harris County Department of Education (“HCDE”), located in Houston, Texas 77022, and \_\_\_\_\_ (“Contractor”), located in \_\_\_\_\_, for Contractor to provide services to HCDE in accordance with the terms and conditions specified herein.

### Recitals

HCDE is a political subdivision of the State of Texas, established to promote education in Harris County, Texas. Both HCDE and Contractor desire to set forth in writing the terms and conditions of their agreement. In consideration of the mutual covenants and conditions contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties intending to be legally bound agree as follows:

1. **Purpose.** HCDE agrees to retain Contractor and Contractor agrees to provide services to HCDE as Contractor and to perform the duties and all necessary labor and resources needed to provide the services set forth in Paragraph 3 – Scope of Work. Contractor shall also perform such other related services and duties as are customarily performed by a Contractor in a similar position.
2. **Term.** This Agreement is for services beginning \_\_\_\_\_ and ending \_\_\_\_\_ (“Term”). All extensions of this Agreement shall be subject to the terms and conditions specified herein.
3. **Scope of Work.** Exhibit A includes a detailed Scope of Work that sets out the services (hereinafter “Services”) Contractor agrees to provide.
4. **Independent Contractor Status.** It is the intention of the parties that Contractor be an independent contractor and not an employee, agent, joint venturer, or partner of HCDE. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between HCDE and either Contractor or any employee or agent of Contractor. As an independent contractor, Contractor will be solely responsible for determining the means and methods for performing the Services and shall furnish all tools, materials, transportation, and personal incidentals necessary in the performance of the Services. Contractor shall be responsible for any and all applicable social security and personal income taxes that may become due as a result of any payments made by HCDE hereunder and Contractor shall indemnify and hold HCDE harmless in this regard.
5. **Review of Progress.** Contractor will work to meet all timelines mutually established by Contractor and HCDE. HCDE reserves the right to monitor the progress of Contractor.
6. **Changes & Amendments.** During the Term of the Agreement (see Paragraph 2), HCDE and Contractor reserve the right to make changes to the Services the Contractor is required to provide pursuant to this Agreement. This Agreement may be amended only by the mutual agreement of the parties, in writing to be attached to and incorporated in this Agreement. All such changes shall be made in writing and agreed to by both parties.
7. **Assignment.** Neither this Agreement nor any duties or obligations under it shall be assignable by Contractor without the prior written acknowledgement and authorization of HCDE.

**8. Compensation.** HCDE will pay Contractor an amount not to exceed \$\_\_\_\_\_ plus expenses of \$\_\_\_\_\_ per day for Services provided in Exhibit A. Contractor will invoice HCDE periodically throughout the Term of the Agreement in accordance with Section 29 of this Agreement. HCDE is Texas sales and use tax exempt and will not reimburse Contractor for any Texas sales taxes incurred by Contractor. In the event that any payment(s) to Contractor under this Agreement are subsequently disallowed by a state or federal grant awarding agency or in the event that HCDE is required to refund any funding received from a state or federal grant awarding agency relating to Contractor's Work, to the maximum extent permitted by applicable law, Contractor shall repay to HCDE, on demand, the amount of any such disallowed costs and/or refund. HCDE may, in its sole discretion, deduct the amount(s) of any such disallowed costs and/or refund(s) from subsequent payments to Contractor under this Agreement.

**9. Intellectual Property.** Contractor represents that it has all intellectual property rights necessary to enter into and perform its obligations in this Agreement.

**10. Ownership of Work Product.** All work product, including any concepts, products, software, research, reports, studies, data, photographs, negatives, or other documents, drawings or materials prepared by Contractor in the performance of its obligations under this Agreement will be deemed works for hire and the exclusive property of HCDE, the Texas Education Agency, the State of Texas, and/or the federal government, as applicable. Contractor shall deliver all such materials to HCDE upon completion, termination, or cancellation of this Agreement. Any programs, data, or other materials furnished by HCDE for use by Contractor in connection with the Services performed under this Agreement will remain HCDE's property. Any pre-existing programs, data, or other materials furnished and owned by Contractor for use by Contractor in connection with the Services performed under this Agreement will remain Contractor's property.

**11. Professional Services.** This Agreement (check applicable box) ☐ is / ☐ is not for professional services and governed by the Professional Services Procurement Act, TEX. GOV'T CODE Chp. 2254. Contractor represents and warrants that Contractor has demonstrated competence and possesses qualifications to perform the Services and is performing the Services for a fair and reasonable price. Contractor further represents and warrants that the professional fees under the Agreement do not exceed any maximum provided by law.

**12. Conflict of Interest.** 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.

**13. Criminal History Certification.** Contractor shall complete the "Criminal History Certification" regarding the criminal history of covered employees and the "Felony Conviction Notice," both of which are incorporated by reference herein. Noncompliance or misrepresentation regarding these certifications may be grounds for termination of this Agreement.

**14. Indemnity.** TO THE FULLEST EXTENT PERMITTED BY LAW, CONTRACTOR SHALL INDEMNIFY AND HOLD HARMLESS HCDE, ITS TRUSTEES, OFFICERS, EMPLOYEES, AND AGENTS FROM AND AGAINST ALL LIABILITY, LOSS, EXPENSE (INCLUDING REASONABLE LITIGATION COSTS AND ATTORNEY'S FEES), OR CLAIMS FOR INJURY OR DAMAGES

ARISING OUT OF THE PERFORMANCE OF THIS AGREEMENT (COLLECTIVELY, "CLAIM") TO THE EXTENT THE CLAIM ARISES FROM THE NEGLIGENCE, WILLFUL ACT, BREACH OF CONTRACT, OR VIOLATION OF LAW BY CONTRACTOR, ITS EMPLOYEES, AGENTS, CONTRACTORS, OR SUBCONTRACTORS.

**15. Non-appropriation of funds.** The Term of this Agreement is a commitment of HCDE current revenue only. Notwithstanding anything to the contrary in this Agreement, HCDE is obligated to make payments only as approved each year by HCDE's Board of Trustees. HCDE's Board of Trustees retains the right to terminate the Agreement at the expiration of each budget period of HCDE. To the extent that HCDE will use federal grant funds to fulfill its obligations under this Agreement, Contractor acknowledges that federal funds will be used to pay for all or a portion of funds due under this Agreement and that this Agreement is only effective upon receipt of the Notice of Grant Award ("NOGA") by HCDE from the awarding agency. As such, if HCDE does not receive sufficient funding for the services provided in this Agreement, HCDE may terminate this Agreement without penalty or further obligation to Contractor, at any time upon written notice to Contractor. Services rendered in accordance with this Agreement shall be funded by \_\_\_\_\_ *[funding source(s)]*. Payment for services rendered shall be allocated as follows: \_\_\_\_\_% funded by \_\_\_\_\_ *[funding source]*; and \_\_\_\_\_% funded by \_\_\_\_\_ *[additional funding source, if applicable]*.

**16. Non-Exclusivity.** Nothing in this Agreement may be construed to imply that Contractor has the exclusive right to provide HCDE Services. During the Term of this Agreement, HCDE reserves the right to use all available resources to procure other services as needed and doing so will not violate any rights of Contractor.

**17. Performance.** Contractor agrees that Contractor's Services will be performed with reasonable care, skill, judgment, and experience in a professional business-like manner, with no direct supervision from HCDE. If Contractor is unable to complete the work in this manner based on the mutually agreed upon time, Contractor shall notify HCDE's Director of \_\_\_\_\_ in writing.

**18. Termination.** Either party for any reason upon thirty (30) days written notice may terminate this Agreement without cause. HCDE will be responsible for payment for Services that have been accepted by HCDE up to the termination date.

HCDE may, by written notice, immediately terminate this Agreement if Contractor has defaulted in whole or in part, refuses or fails to comply with the provisions of this Agreement, fails to make progress, does not cure such failure after written notice within a reasonable period of time, or fails to perform the Services within the same 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 amount owed Contractor or Contractor shall reimburse HCDE for such costs incurred by HCDE.

**19. Inspection and Acceptance of Service.** HCDE reserves the right to inspect the Services provided under this Agreement at all reasonable times and places during the Term. If any of the Services do not conform to the requirements set forth in this Agreement, HCDE may (i) require Contractor to perform the Services again in conformity with such requirements, with no additional charge to HCDE; or (ii) equitably reduce payment due Contractor to reflect the reduced value of the Services performed. These remedies do not limit other remedies available to HCDE in this Agreement or otherwise available by law.

**20. Subcontractors.** If HCDE gives written permission for Contractor to subcontract any of the Services, Contractor shall ensure that each subcontractor complies with all provisions of this Agreement. Contractor shall require each subcontractor to maintain and to furnish Contractor with satisfactory evidence of Workers Compensation, Employer's Liability and such other forms and amounts of insurance which Contractor deems reasonably adequate. Contractor will remain liable for the acts and omissions of such subcontractor(s) and the proper performance and delivery of the Services.

**21. Insurance.** Unless an appropriate HCDE representative agrees to waive the requirements by initialing the designated space near the signature block below, Contractor shall comply with all of HCDE's insurance requirements. Contractor shall provide Certificates of Insurance evidencing the Insurance Requirements prior to the start of work. Contractor shall maintain insurance coverage in the amounts specified by HCDE. Certificates of Insurance on the current ACORD form shall be issued to HCDE showing all required insurance coverage.

**22. Force Majeure.** The parties to this Agreement 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.

**23. Notice.** Any notice provided under the terms of this Agreement by either party to the other shall be in writing and may be affected by certified mail, return receipt requested. Notice to either party shall be sufficient if made or addressed as to the address listed in the signature line of this Agreement.

Each party may change the address at which notice may be sent to that party by giving notice of such change to the other party by certified mail, return receipt requested.

**24. Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without regard to its conflicts of laws provisions. The mandatory and exclusive venue for the adjudication or resolution of any dispute arising out of this Agreement shall be a court of competent jurisdiction in Harris County, Texas.

**25. No Waiver of HCDE's Immunity.** The execution of this Agreement and the performance of HCDE of any of its obligations hereunder are not, and are not intended to waive or relinquish, and HCDE shall not waive or relinquish, any governmental, sovereign immunity or defense from or to liability or prosecution available to HCDE, its trustees, officers, employees, or agents under federal or Texas laws.

**26. Entire Agreement.** The Agreement, the procurement solicitation issued by HCDE, RFP # \_\_\_\_\_, Contractor's proposal submitted in response to HCDE's procurement solicitation, and the attached and incorporated addendum, exhibits, and documents/forms contain the entire agreement of the parties relative to the purpose(s) of the Agreement and supercede any other representations, agreements, arrangements, negotiations, or understanding, oral or written, between the parties to this Agreement. In the event of a conflict between this Agreement and the procurement solicitation issued by HCDE or Contractor's proposal submitted in response to HCDE's procurement solicitation, this Agreement shall control. In the event of a conflict between the procurement solicitation issued by HCDE and Contractor's proposal submitted in response to HCDE's procurement solicitation, HCDE's procurement solicitation shall control. This

Agreement supersedes any conflicting terms and conditions on any purchase or work orders, invoices, checks, order acknowledgements, forms, purchase orders, or similar commercial documents relating hereto and which may be issued by Contractor after the Effective Date of this Agreement.

**27. Severability.** In the event that any one or more of the provisions contained in this Agreement 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 Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

**28. Debarment and Suspension.** Pursuant to Executive Orders 12549 and 12689, a contract award (see 2 CFR 180.220) 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 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains 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. When federal funds are expended by HCDE under this Agreement, Contractor certifies that during the term of this Agreement, Contractor certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency or by the State of Texas. Contractor shall immediately provide written notice to HCDE if at any time Contractor learns that this certification was erroneous when submitted or has become erroneous by reason of changed circumstances. HCDE may rely upon Contractor’s certification that Contractor is not debarred, suspended, ineligible, or voluntarily excluded from the covered contract, unless HCDE knows the certification is erroneous.

**29. Invoices.** Contractor is required to submit original invoices to the HCDE Business Office ATTN: Accounts Payable. The invoices can be mailed through the postal service to HCDE Business Office ATTN: Accounts Payable, 6300 Irvington Boulevard, Houston, Texas 77022, or emailed to [accountspayable@hcde-texas.org](mailto:accountspayable@hcde-texas.org).

The invoices should include the following:

1. Date of invoice
2. Period of service
3. List of services provided
4. Location where services were provided
5. Invoice number
6. Contact information
7. Deliverables under the contract
8. Certification of service provided through a signature by company representative

Contractor is required to submit to HCDE a completed IRS Form W-9, Criminal History Certification, Felony Conviction Notice, Conflict of Interest Questionnaire, and any other forms required of HCDE before payment is rendered. Payment to Contractor shall be made only after Services are performed and not before. Advance payment to Contractor is strictly prohibited.

Contractor shall submit invoices within a timely manner during HCDE’s fiscal year in which the good(s) and/or services are purchased. In accordance with Texas Government Code § 2251.021, payments are due



to Contractor within forty-five (45) days after the later of the following: (1) the date HCDE receives the goods under the Agreement; (2) the date the performance of the service under the Agreement is completed; or (3) the date HCDE receives an invoice for the goods or service. Contractor agrees to pay any subcontractors, if any, the appropriate share of the payment received from HCDE not later than the tenth (10th) day after the date Contractor receives the payment from HCDE. The exceptions to payments made by HCDE and/or Contractor listed in Texas Government Code § 2251.002 shall apply to this Agreement.

Failure to send the invoices to the Accounts Payable Office will delay payment. Contractor certifies that no work has been performed before the effective date of this Agreement. Invoices submitted by Contractor for work performed prior to the effective date of the Agreement may not be honored by HCDE, in HCDE's sole discretion.

**30. Compliance with Applicable Laws.** Contractor agrees to comply with all federal, state, and local laws, rules, regulations, and ordinances, as applicable, including, but not limited to the Education Department General Administrative Regulations ("EDGAR"), 2 C.F.R. Parts 200 and 3474, and 34 C.F.R. Parts 75-77 and 81. If applicable, Contractor certifies compliance with all provisions, laws, acts, regulations, rules, and ordinances as detailed in HCDE's Certifications form, "Required Contract Provisions for Non-Federal Entity Contracts under Federal Awards – Appendix II to 2 CFR Part 200," which is incorporated by reference herein. Contractor further certifies compliance with all applicable provisions, laws, acts, regulations, rules, and ordinances, including those referenced in any HCDE vendor packet completed by Contractor, which is incorporated by reference herein.

Contractor hereby certifies that it is not a company identified on the Texas Comptroller's list of companies known to have contracts with, or provide supplies or services to, a foreign organization designated as a Foreign Terrorist Organization by the U.S. Secretary of State. Contractor further certifies and verifies that neither Contractor, nor any affiliate, subsidiary, or parent company of Contractor, if any (the "Contractor Companies"), boycotts Israel, and Contractor agrees that Contractor and Contractor Companies will not boycott Israel during the term of this Agreement. For purposes of this Agreement, the term "boycott" shall mean and include terminating business activities or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory.

**31. Confidential Data of HCDE.** In the course of performing duties under this Agreement, Contractor may view, obtain, or have access to financial, accounting, statistical, personnel, and other information of a confidential nature concerning students and school districts 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 Agreement or after such Term.

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.

Contractor further acknowledges that to the extent Contractor receives confidential student information during the performance of duties under this Agreement, Contractor is considered a "school official" in

accordance with the Family Educational Rights and Privacy Act (“FERPA”), 20 U.S.C. § 1232g, and shall not disclose confidential student information or education records.

**32. Warranties.** All goods and/or services provided by Contractor under this Agreement must be warranted to be free from defects in material, workmanship, and free from such defects in design for a period of one (1) year upon the later of HCDE’s acceptance of the product and/or service or payment of the applicable invoice. Contractor warrants that all goods and/or services furnished under this Agreement shall conform in all respects to the terms of this Agreement, including any drawings, specifications, and/or standards incorporated herein, including, without limitation, those detailed in the procurement solicitation issued by HCDE. In addition, Contractor warrants that goods and/or services are suitable for and will perform in accordance with the purposes for which they are intended. Contractor shall assume all liabilities incurred within the scope of consequential damages and incidental expenses, as set forth in the vendor or manufacturer’s warranty, which result from either delivery or use of product, which does not meet the specifications within this Agreement or the solicitation procurement.

**Insurance Requirements Waiver** – IF the Insurance Requirements are not applicable to the Services or if HCDE otherwise chooses to waive such requirements for purposes of this Agreement, the appropriate HCDE representative may waive the requirements by initialing here: →

Otherwise, Contractor must satisfy the Insurance Requirements specified in this Agreement.

In witness whereof, HCDE and Contractor have executed this Agreement to be effective on the date specified in Term above:

\_\_\_\_\_  
By: \_\_\_\_\_  
(Signature)

Harris County Department of Education  
  
By: \_\_\_\_\_  
(Signature)  
Jesus Amezcua, Ph.D., CPA, RTSBA  
Assistant Superintendent –Business Services  
6300 Irvington Blvd  
Houston, TX 77022-5618  
713-696-1371  
713-696-0740

**EXHIBIT A**  
**SCOPE OF WORK**

Contractor	HCDE
<ul style="list-style-type: none"><li>• Services/Obligations/Deadlines</li></ul>	<ul style="list-style-type: none"><li>• Obligations</li></ul>

## **ADDENDUM TO SERVICES AGREEMENT FOR ADULT EDUCATION**

THIS ADDENDUM to Services Agreement for HCDE Expenditures (“Addendum”) shall amend, supplement, modify, delete and replace by substitution (or where applicable, be inserted as) the indicated provisions of the Agreement. Wherever the terms hereof are inconsistent with the Agreement, the terms hereof shall be controlling.

### **SUPPLEMENTARY TERMS OF AGREEMENT**

#### **1. Contract.**

A. This Addendum between HCDE and \_\_\_\_\_ (“Contractor”) is entered into in support of the Workforce Solutions Adult Education and Literacy Contract between Houston-Galveston Area Council (H-GAC) and HCDE for the period October 1, 2016 through September 30, 2017 (“Prime Contract”). The H-GAC contract number is 212-17.

B. The Parties agree that their performance under this Addendum shall comply with the requirements of the Prime Contract at all times and that, in the event of a conflict between this Addendum and the requirements of the Prime Contract, the requirements of the Prime Contract shall control.

C. Contractor agrees that the mutual obligations of the Parties created by the Prime Contract constitute a contract between Contractor and H-GAC with respect to the matters covered in the Prime Contract.

D. The Parties agree that the recitation of any provision of the Prime Contract in this Addendum, as required by the Prime Contract, shall in no way affect those provisions of the Prime Contract not recited herein or constitute a waiver thereof by either Party.

E. Definitions. As used in the clauses referenced below and otherwise in this Addendum:

1. “Work” means the doing of all things described in, and all tasks reasonably related to the work and services required by this Addendum, whether completed or partially completed, and includes all skill, labor, materials and supplies, resources, supervision, equipment, services, all things necessary, proper, or incidental to the carrying out and completion of the terms of this Addendum, and all other items of cost or value needed to perform and fulfill Contractor’s obligations under this Addendum.
2. “Government” means the federal government entity established by the United States Constitution, including any part or sub-part of the legislative, executive, or judicial branches thereof.
3. “Program Officer” means the H-GAC staff member responsible for monitoring the completion of Work and technical performance of the projects or activities described in the Program Narrative Statement.
4. “H-GAC Grants Officer” means the H-GAC official that has the full authority to negotiate, administer, and execute all terms and conditions of the Prime Contract in concurrence with the Program Officer.
5. “Data” means recorded information, regardless of form or the media on which it may be recorded.

6. "Research Data" means the recorded factual material (excluding physical objects, such as laboratory samples) commonly accepted in the scientific community as necessary to validate research findings, and excludes preliminary analyses; drafts of scientific papers; plans for future research; peer reviews; communications with colleagues; trade secrets; commercial information; materials necessary that a researcher must hold confidential until they are published, or similar information which is protected under law; and personnel and medical information and similar information the disclosure of which would constitute a clearly unwarranted invasion of personal privacy, such as information that could be used to identify a particular person in a research study.
7. "Subcontractor" means a person or entity that has a direct contract with Contractor to perform a portion of the Work. The term "Subcontractor" is referred to throughout the Addendum as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a person or entity that has a direct contract with HCDE.
8. "Subcontract" means a direct contract between Contractor and a Subcontractor to perform a portion of the Work and does not include any contract to which HCDE is a party.
9. "Forced Labor" means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.
10. "Private Entity" means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25 and includes a nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b), and a for-profit organization.
11. "Severe forms of trafficking in persons," "commercial sex act," and "coercion" have the meanings given at section 103 of the Trafficking Victims Protection Act of 2000 ("TVPA"), as amended (22 U.S.C. 7102).

## **2. Scope of Work.**

Contractor will perform the Scope of Work outlined in Exhibit A to the Services Agreement for HCDE Expenditures.

## **3. Access to Records.**

Contractor shall retain financial records, supporting documents, statistical records, and all other records pertinent to this Addendum for a period of three years from the last day of the Term. The only exceptions to the aforementioned records retention requirements are the following:

1. If any litigation, dispute, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, dispute, or audit findings involving the records have been resolved and final action is taken.
2. Records for real property and equipment acquired with Federal funds shall be retained for three years after final disposition.

3. The H-GAC Grants Officer may direct Contractor to transfer certain records to H-GAC custody when he or she determines that the records possess long term retention value. However, in order to avoid duplicate recordkeeping, the H-GAC Grants Officer may make arrangements for Contractor to retain any records that are continuously needed for joint use.

A. H-GAC, the Inspector General, Comptroller General of the United States, or any of their duly authorized representatives, have the right of timely and unrestricted access to any books, documents, papers, or other records of Contractor that are pertinent to this Addendum, in order to make audits, examinations, excerpts, transcripts, and copies of such documents. This right also includes timely and reasonable access to Contractor's personnel for the purpose of interview and discussion related to such documents. The rights of access provided for in this Addendum are not limited to the required retention period, but shall last as long as the records are retained.

B. With respect to subcontracts under this Addendum, H-GAC shall retain the right to conduct a financial review, require an audit, or otherwise ensure adequate accountability of organizations expending H-GAC funds. Contractor agrees to include in any subcontract made under this Addendum the requirements of this Article.

#### **4. Copyright, Patent Rights, and Data Rights.**

The Texas Workforce Commission and HGAC reserve a royalty-free, non-exclusive right to reproduce, publish or otherwise use, and to authorize others to use, for state, federal or H-GAC purposes:

1. The copyright of all maps, data, reports, research or other work developed under this Addendum; and
2. Any copyrights or rights to use copyrighted material which the ESC purchases with funding under this Addendum.

All data, reports and research developed under this Addendum shall become property of H-GAC. All such data and material shall be furnished to HGAC upon request.

#### **5. Trafficking in Persons.**

A. As used in this Article, "Employee" means either: (1) an individual employed by Contractor or by a Subcontractor under this Addendum who is engaged in the performance of the Work under this Addendum; or (2) another person engaged in the performance of the Work under this Addendum and not compensated by Contractor or by a Subcontractor under this Addendum including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.

B. If Contractor is a Private Entity, Contractor, an Employee of Contractor, a Subcontractor under this Addendum, and an Employee of a Subcontractor under this Addendum may not:

1. Engage in severe forms of trafficking in persons during the period of time that this Addendum is in effect;
2. Procure a commercial sex act during the period of time that this Addendum is in effect; or
3. Use Forced Labor in the performance of this Addendum or subcontracts under this Addendum.

C. HCDE may immediately and unilaterally terminate this Addendum, without penalty, if Contractor or a Subcontractor under this Addendum that is a Private Entity:

1. Is determined to have violated a prohibition in paragraph B of this Article; or
2. Has an Employee who is determined to have violated a prohibition in paragraph B of this Article through conduct that is either:
  - a. Associated with performance under this Addendum; or
  - b. Imputed to Contractor or to a Subcontractor under this Addendum using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, "OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement)," as implemented by 2 CFR part 376.

D. If Contractor is other than a Private Entity, HCDE may immediately and unilaterally terminate this Addendum, without penalty, if a Subcontractor under this Addendum that is a Private Entity:

1. Is determined to have violated an applicable provision in paragraph B of this Article; or
2. Has an Employee who is determined to have violated an applicable prohibition in paragraph B of this Article through conduct that is either:
  - a. Associated with performance under this Addendum; or
  - b. Imputed to a Subcontractor under this Addendum using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, "OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement)," as implemented at 2 CFR part 376.

E. Regardless of whether Contractor and a Subcontractor under this Addendum is a Private Entity, Contractor and a Subcontractor under this Addendum must inform HCDE immediately of any information Contractor or a Subcontractor under this Addendum receives from any source alleging a violation of a prohibition in paragraph B of this Article.

F. HCDE's right to terminate unilaterally under this Article:

1. Implements section 106(g) of the TVPA, as amended (22 U.S.C. 7104(g)); and
2. Is in addition to all other remedies for noncompliance that are available to HCDE under this Addendum.

G. Contractor and a Subcontractor under this Addendum must include the requirements of paragraph B of this Article in any subcontract to this Addendum that Contractor or a Subcontractor under this Addendum makes with a Private Entity.

## **6. Nondiscrimination.**

A. Contractor agrees not to discriminate against any of Contractor's employees or applicants for employment because of race, color, national origin, sex, religion, age, or handicap.

B. Contractor agrees to comply with Title VI of the Civil Rights Act of 1964 (Public Law 88-352; 42 U.S.C. 2000d-1) and hereby assures HCDE of Contractor's compliance with Title VI of the Civil Rights Act of 1964. Contractor shall obtain from each organization that applies to be or serves as a Subcontractor under this Addendum (for other than the provision of commercially available supplies, materials, or equipment or general support services) an Assurance of Compliance with Title VI of the Civil Rights Act of 1964. Civil Rights Act assurances may be filed with Contractor in one of two ways:

1. By written notification that the appropriate Assurance of Compliance form has been executed and filed either with H-GAC or the U.S. Department of Health and Human Services; or
2. Contractor shall obtain assurances pursuant to Section 504 of the Rehabilitation Act of 1973, as amended, from any Subcontractor under this Addendum by incorporating into the subcontract a provision that acceptance of the subcontract constitutes assurance.

C. Contractor agrees to comply with the Age Discrimination Act of 1975 (42 U.S.C. 6101 et. seq.) as implemented by the Department of Health and Human Service regulations at 45 CFR 90. In the event Contractor passes on H-GAC financial assistance to any Subcontractor under this Addendum, this provision shall apply to any such Subcontractor, and the instrument under which the Federal financial assistance is passed to any such Subcontractor shall contain a provision identical to this provision.

D. Contractor agrees to comply with E.O. 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR, 1964-1965 Comp., p. 339), as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." In the event Contractor passes on H-GAC financial assistance to any Subcontractor under this Addendum, this provision shall apply to any such Subcontractor, and the instrument under which the Federal financial assistance is passed to any such Subcontractor shall contain a provision identical to this provision.

#### **7. Changes & Amendments.**

Contractor shall, at the request of HCDE, accept changes and amendments to this Addendum to incorporate additional provisions herein or to change provisions hereof, as HCDE may reasonably deem necessary in order to comply with the provisions of the applicable Prime Contract. If any such amendment to this Addendum causes an increase or decrease in the estimated cost of, or the time required for performance of any part of the Work under this Addendum, HCDE and Contractor will use their best efforts to mutually agree upon an equitable adjustment.

#### **8. Debarment and Suspension.**

Contractor agrees that any subcontract under this Addendum that is expected to equal or exceed \$25,000, or is otherwise covered under 2 CFR 180.220, shall not be made to parties listed on the Government-wide Excluded Parties List System, in accordance with the OMB guidelines at 2 CFR part 180 that implement Executive Orders 12549 and 12689, "Debarment and Suspension." The Excluded Parties List System contains 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.

#### **9. Termination.**

A. In the event that the Prime Contract is terminated, HCDE may immediately terminate this Addendum, by written notice to Contractor. Upon such termination, HCDE will be responsible for payment to Contractor of costs incurred prior to such termination only to the extent those costs are included in the final payment received by HCDE from H-GAC.

B. HCDE's right to terminate under this Article is in addition to all other remedies for noncompliance that are available to HCDE under this Addendum or provided by law or equity.

C. Contractor must submit a final invoice to HCDE within thirty days after the termination date.

#### **10. No Third Party Beneficiary.**

A third party beneficiary is a person who, although not a party to the contract, stands to benefit from the contract's performance. With the sole exception of the Government and H-GAC, neither this Addendum,



nor any term or provisions hereof, nor any inclusion by reference, shall be construed as being for the benefit of any party not a signatory hereto.

#### **11. Ownership/Protection of HCDE's Confidential Information.**

A. To assist Contractor in the performance of Contractor's duties and Scope of Work, HCDE agrees to provide to Contractor training regarding HCDE's business methods and access to certain confidential and proprietary information and materials belonging to HCDE and/or to vendors of HCDE and/or participants in HCDE's programs or services (hereinafter "vendors and/or participants"). Such confidential and proprietary information and materials (collectively "Confidential Information") includes, without limitation and regardless of whether such information or materials is expressly identified as confidential or proprietary, the following: proposals, employee information, customer lists, vendor lists and relationships, participant lists, marketing strategies, certain financial information relating to HCDE or vendors and/or participants; plans of HCDE or vendors and/or participants; and other trade secrets and valuable, confidential information of HCDE or vendors and/or participants.

B. Contractor understands and agrees that all Confidential Information and every portion thereof constitutes valuable property of HCDE and/or vendors and/or participants, and Contractor further acknowledges the importance of maintaining the security and confidentiality of the Confidential Information.

C. Contractor agrees to keep the Confidential Information, and all documentation, access, and information relating thereto, strictly confidential. Specifically, Contractor agrees that, except as required for the conduct of HCDE's business or as expressly authorized in writing by HCDE, or as may be required by law or court order, Contractor:

- (1) will not disclose or provide access to Confidential Information to any third party;
- (2) will not copy Confidential Information for any reason;
- (3) will not remove Confidential Information from HCDE's premises;
- (4) will return to HCDE all Confidential Information in Contractor's possession upon completion of any Work for HCDE requiring Contractor to have access to such Confidential Information; and
- (5) return to HCDE all Confidential Information upon the termination of Contractor's relationship with HCDE for any reason.

D. The terms and conditions of this Article shall survive the termination of this Addendum.

#### **12. Compliance with Laws.**

Contractor agrees to comply with all federal, state, and local laws, rules, regulations, and ordinances, as applicable. Contractor certifies compliance with all provisions, laws, acts, regulations, rules, and ordinances, including those referenced in any HCDE vendor packet completed by Contractor, which is incorporated by reference herein.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Harris County Department of Education

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

{Insert Name}

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **ADDENDUM TO SERVICES AGREEMENT FOR HEAD START**

THIS ADDENDUM to Services Agreement for HCDE Expenditures (“Addendum”) shall amend, supplement, modify, delete and replace by substitution (or where applicable, be inserted as) the indicated provisions of the Agreement. Wherever the terms hereof are inconsistent with the Agreement, the terms hereof shall be controlling.

### **SUPPLEMENTARY TERMS OF AGREEMENT**

#### **1. Government Subcontract.**

A. This Addendum between HCDE and Contractor is entered into in support of, and subject to the requirements of, the following U.S. Government Contract(s): ☐ Grant Award Number 06CH7177, with the effective date of 01/01/2017 between HCDE and the U.S. Department of Health and Human Services (“HHS”) and any amendment thereto, ☐ Grant Award Number 06CH0028, with the effective date of 09/01/2016 between HCDE and HHS and any amendment thereto, as well as any U.S. Government Contract or grant award hereinafter given to HCDE (collectively, the “Prime Contract”), which are incorporated herein by reference for all purposes.

B. The Parties agree that the recitation of any requirement of the Prime Contract in this Addendum shall in no way affect those requirements of the Prime Contract not recited herein or constitute a waiver thereof by either Party.

C. Pursuant to the Prime Contract, the Prime Contract is subject to certain terms, conditions, and requirements, which are incorporated by reference herein for all purposes, including, but not limited to, the HHS Grants Policy Statement (“HHS GPS”). Unless an exception is specified, such terms, conditions, and requirements apply to Contractor and to a Subcontractor to the same extent that they apply to HCDE under the Prime Contract. Any reference herein to the obligations or requirements of the Prime Contract includes any and all such terms, conditions, and requirements.

D. In the event that Contractor enters into a Subcontract, Contractor must include in any such Subcontract all applicable terms, conditions, and requirements of the Prime Contract. Contractor must also include any additional requirements imposed by this Addendum. If required by the Prime Contract or by this Addendum, Contractor shall recite specific terms, conditions, and requirements in any Subcontract including, but not limited to, the terms of this Article 1.

E. The Parties agree that their performance under this Addendum shall comply with the requirements of the Prime Contract at all times and that, in the event of a conflict between this Addendum and the requirements of the Prime Contract, the requirements of the Prime Contract shall control.

F. Contractor agrees that the mutual obligations of the Parties created by the Prime Contract constitute a contract between Contractor and HHS with respect to the matters covered in the Prime Contract.

G. Definitions. As used in the clauses referenced below and otherwise in this Addendum:

1. “Work” means the doing of all things described in, and all tasks reasonably related to the work and services required by this Addendum, whether completed or partially completed, and includes all skill, labor, materials and supplies, resources, supervision, equipment, services, all things necessary, proper, or incidental to the carrying out and completion of the terms of this Addendum, and all other items of cost or value needed to perform and fulfill Contractor’s obligations under this Addendum.

2. "Government" means the federal government entity established by the United States Constitution, including any part or sub-part of the legislative, executive, or judicial branches thereof.
3. "Data" means recorded information, regardless of form or the media on which it may be recorded, and includes writings, films, sound recordings, pictorial reproductions, drawings, designs, or other graphic representations, procedural manuals, forms, diagrams, work flow charts, equipment descriptions, data files, data processing or computer programs (software), statistical records, and other research data.
4. "Research Data" means the recorded factual material commonly accepted in the scientific community as necessary to validate research findings, and excludes preliminary analyses; drafts of scientific papers; plans for future research; peer reviews; communications with colleagues; physical objects, such as laboratory samples, audio or video tapes; trade secrets; commercial information; materials necessary that a researcher must hold confidential until they are published, or similar information which is protected under law; and personnel and medical information and similar information the disclosure of which would constitute a clearly unwarranted invasion of personal privacy, such as information that could be used to identify a particular person in a research study.
5. "Subcontractor" means a person or entity that has a direct contract with Contractor to perform a portion of the Work. The term "Subcontractor" is referred to throughout the Addendum as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a person or entity that has a direct contract with HCDE.
6. "Subcontract" means a direct contract between Contractor and a Subcontractor to perform a portion of the Work and does not include any contract to which HCDE is a party.
7. "Forced Labor" means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.
8. "Private Entity" means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25 and includes a nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b), and a for-profit organization.
9. "Severe forms of trafficking in persons," "commercial sex act," and "coercion" have the meanings given at section 103 of the Trafficking Victims Protection Act of 2000 ("TVPA"), as amended (22 U.S.C. 7102).

## **2. Access to Records.**

Contractor shall retain financial records, supporting documents, statistical records, and all other records pertinent to this Addendum for a period of three years from the last day of the Term. The only exceptions to the aforementioned records retention requirements are the following:

1. If any litigation, dispute, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, dispute, or audit findings involving the records have been resolved and final action is taken.
2. Records for real property and equipment acquired with Federal funds shall be retained for three years after final disposition.

A. HHS, the Inspector General, Comptroller General of the United States, or any of their duly authorized representatives, have the right of timely and unrestricted access to any books, documents, papers, or other records of Contractor that are pertinent to this Addendum, in order to make audits, examinations, excerpts, transcripts, and copies of such documents. This right also includes timely and reasonable access to Contractor's personnel for the purpose of interview and discussion related to such documents. The rights of access provided for in this Addendum are not limited to the required retention period, but shall last as long as the records are retained.

B. With respect to subcontracts under this Addendum, HHS shall retain the right to conduct a financial review, require an audit, or otherwise ensure adequate accountability of organizations expending HHS funds. Contractor agrees to include in any subcontract made under this Addendum the requirements of this Article.

### **3. Intellectual Property.**

A. Subject to the requirements of the Bayh-Dole Act of 1980, as implemented in 37 CFR part 401, and as amended by the Technology Transfer Commercialization Act of 2000 (P.L. 106-404), HCDE shall possess the legal ownership, right, and title to any Data, Research Data, writings, software, designs, materials, discoveries, inventions, or any other type of intellectual property made or conceived by Contractor or a Subcontractor in the course of or in connection with this Addendum. Contractor agrees to promptly and completely inform and disclose to HCDE all such Data, Research Data, writings, software, designs, materials, discoveries, inventions, or any other type of intellectual property that Contractor may have acquired during the Term of this Addendum that pertain or relate to the business of HCDE or to any work carried on by HCDE, whether conceived by Contractor or not. All such Data, Research Data, writings, software, designs, materials, discoveries, inventions, or any other type of intellectual property shall be the exclusive property of HCDE. Without waiving its rights to possess exclusive legal ownership to any and all intangible property acquired under this Addendum and expressly subject thereto, as to any intangible property for which HCDE does not become the exclusive legal owner, Contractor hereby grants a royalty-free, nonexclusive and irrevocable right to HCDE to reproduce, publish, prepare derivative works or otherwise use the work for HCDE's purposes, and to authorize others to do so.

B. Data Rights: In all cases, whether HHS funded all or part of the project or program resulting in the Data, the Government shall be given a royalty-free, nonexclusive, and irrevocable license for the Government to reproduce, publish, or otherwise use the Data and to authorize others to do so for Government purposes. Data developed by Contractor or a Subcontractor is also subject to this requirement.

C. Access to Research Data: As required by 45 CFR 74.36, Contractor and a Subcontractor must release Research Data first produced in a project supported in whole or in part with Federal funds that are cited publicly and officially by a Federal agency in support of an action that has the force and effect of law.

D. Contractor agrees to include in any subcontract made under this Addendum the requirements of this Article.

#### **4. Review of Progress and Site Visits.**

Contractor will meet all timelines mutually established by Contractor and HCDE. HCDE reserves the right to monitor the progress of Contractor. HHS, through authorized representatives, has the right, at all reasonable times, to make site visits to review project accomplishments and management control systems and to provide such technical assistance as may be required. If any site visit is made by HHS on the premises of Contractor or a Subcontractor under this Addendum, Contractor shall provide and shall require its Subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the Government representatives in the performance of their duties. All site visits and evaluations shall be performed in such a manner that will not unduly delay the Work.

#### **5. Trafficking in Persons.**

A. As used in this Article, "Employee" means either: (1) an individual employed by Contractor or by a Subcontractor under this Addendum who is engaged in the performance of the Work under this Addendum; or (2) another person engaged in the performance of the Work under this Addendum and not compensated by Contractor or by a Subcontractor under this Addendum including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.

B. If Contractor is a Private Entity, Contractor, an Employee of Contractor, a Subcontractor under this Addendum, and an Employee of a Subcontractor under this Addendum may not:

1. Engage in severe forms of trafficking in persons during the period of time that this Addendum is in effect;
2. Procure a commercial sex act during the period of time that this Addendum is in effect; or
3. Use Forced Labor in the performance of this Addendum or subcontracts under this Addendum.

C. HCDE may immediately and unilaterally terminate this Addendum, without penalty, if Contractor or a Subcontractor under this Addendum that is a Private Entity:

1. Is determined to have violated a prohibition in paragraph B of this Article; or
2. Has an Employee who is determined to have violated a prohibition in paragraph B of this Article through conduct that is either:
  - a. Associated with performance under this Addendum; or
  - b. Imputed to Contractor or to a Subcontractor under this Addendum using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, "OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement)," as implemented by 2 CFR part 376.

D. If Contractor is other than a Private Entity, HCDE may immediately and unilaterally terminate this Addendum, without penalty, if a Subcontractor under this Addendum that is a Private Entity:

1. Is determined to have violated an applicable provision in paragraph B of this Article; or
2. Has an Employee who is determined to have violated an applicable prohibition in paragraph B of this Article through conduct that is either:
  - a. Associated with performance under this Addendum; or

- b. Imputed to a Subcontractor under this Addendum using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement),” as implemented at 2 CFR part 376.

E. Regardless of whether Contractor and a Subcontractor under this Addendum is a Private Entity, Contractor and a Subcontractor under this Addendum must inform HCDE immediately of any information Contractor or a Subcontractor under this Addendum receives from any source alleging a violation of a prohibition in paragraph B of this Article.

F. HCDE’s right to terminate unilaterally under this Article:

1. Implements section 106(g) of the TVPA, as amended (22 U.S.C. 7104(g)); and
2. Is in addition to all other remedies for noncompliance that are available to HCDE under this Addendum.

G. Contractor and a Subcontractor under this Addendum must include the requirements of paragraph B of this Article in any subcontract to this Addendum that Contractor or a Subcontractor under this Addendum makes with a Private Entity.

## **6. Nondiscrimination.**

A. Contractor agrees not to discriminate against any of Contractor’s employees or applicants for employment because of race, color, national origin, sex, religion, age, or handicap.

B. Contractor agrees to comply with Title VI of the Civil Rights Act of 1964 (Public Law 88-352; 42 U.S.C. 2000d-1) and to file Form HHS 690, Assurance of Compliance. Contractor must recite the terms of this paragraph B in any Subcontract. Contractor is responsible for determining whether a Subcontractor has the required assurance on file and, if not, ensuring that it is on file.

C. Contractor agrees to comply with the Age Discrimination Act of 1975 (42 U.S.C. 6101 et. seq.) as implemented by the Department of Health and Human Service regulations at 45 CFR 90. In the event Contractor passes on HHS financial assistance to any Subcontractor under this Addendum, this provision shall apply to any such Subcontractor, and the instrument under which the Federal financial assistance is passed to any such Subcontractor shall contain a provision identical to this provision.

D. Contractor agrees to comply with E.O. 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR, 1964–1965 Comp., p. 339), as amended by E.O. 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and as supplemented by regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.” In the event Contractor passes on HHS financial assistance to any Subcontractor under this Addendum, this provision shall apply to any such Subcontractor, and the instrument under which the Federal financial assistance is passed to any such Subcontractor shall contain a provision identical to this provision.

## **7. Cost Principles.**

A. Contractor is subject to the Cost Principles stated in the HHS GPS that are otherwise applicable to its type of organization and to any requirements placed on it by HCDE in order for HCDE to comply with the terms and conditions of the Prime Contract.

B. Documentation: The basis for determining the valuation of personal services, materials, equipment, buildings, and land must be verifiable from the records of Contractor. Volunteer services, to the extent feasible, should be supported by the same level of documentation used by Contractor for its own employees, including time and attendance records.

C. HCDE may not approve any action or cost that is inconsistent with the purpose or terms and conditions of the Prime Contract. If an action by Contractor or a Subcontractor will result in a change in the project/program scope or budget requiring HHS approval, HCDE must obtain that approval from HHS before giving its approval to Contractor or a Subcontractor. Failure of HHS to grant such approval, and the repercussions thereof, shall not constitute a breach by HCDE of this Addendum.

D. Contractor must recite the requirements of this Article in any Subcontract.

E. In the event that any payment(s) to Contractor under this Addendum are subsequently disallowed by HHS or in the event that HCDE is required to refund any funding received from HHS or other granting agency relating to Contractor's Work, to the maximum extent permitted by applicable law, Contractor shall repay to HCDE, on demand, the amount of any such disallowed costs and/or refund. HCDE may, in its sole discretion, deduct the amount(s) of any such disallowed costs and/or refund(s) from subsequent payments to Contractor under this Addendum.

#### **8. Changes & Amendments.**

Contractor shall, at the request of HCDE, accept changes and amendments to this Addendum to incorporate additional provisions herein or to change provisions hereof, as HCDE may reasonably deem necessary in order to comply with the provisions of the applicable Prime Contract. If any such amendment to this Addendum causes an increase or decrease in the estimated cost of, or the time required for performance of any part of the Work under this Addendum, HCDE and Contractor will use their best efforts to mutually agree upon an equitable adjustment.

#### **9. Debarment and Suspension.**

Organizations or individuals that are suspended, debarred, declared ineligible, or voluntarily excluded from eligibility for covered transactions by any Federal department or agency cannot, during the period of suspension, debarment, or exclusion, receive HHS grants or be paid from HHS grant funds. As a condition of this Addendum, Contractor agrees, and must recite a requirement in any Subcontract, to comply with the requirements of 45 CFR part 76. This includes, but is not limited to, a requirement that, before entering into a covered transaction, Contractor or a Subcontractor must verify that the entity is not suspended, debarred, or otherwise excluded. This verification may be accomplished by checking the Excluded Parties Listing System. The Excluded Parties List System contains 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.

#### **10. Lobbying.**

This Article applies to the extent this Addendum or any Subcontract is expected to or exceeds \$100,000: Contractor and any Subcontractor are prohibited by 31 U.S.C. 1352, "Limitation on use of appropriated funds to influence certain Federal contracting and financing transactions," from using appropriated funds to pay any person for influencing or attempting to influence any officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress with respect to the award, extension, continuation, renewal, amendment, or modification of the Prime Contract, this Addendum, any Subcontract, or any other Federal award. Contractor and a Subcontractor are required to certify that they have not made, and will not make, such a prohibited payment; will be responsible for reporting the use of non-appropriated funds for such purposes; and will include these requirements in any



Subcontract that will exceed \$100,000 and will obtain necessary certifications from those Subcontractors. Contractor and any Subcontractor shall disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. All such disclosures shall be forwarded to HCDE.

#### **11. Clean Air Act.**

This Article applies to the extent this Addendum or any Subcontract is expected to or exceeds \$100,000: Contractor and any Subcontractor must agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, 42 U.S.C. 7401 et seq., and the Federal Water Pollution Control Act, as amended 33 U.S.C. 1251 et seq. Violations shall be reported to HHS and the appropriate Regional Office of the Environmental Protection Agency.

#### **12. Audit Requirements.**

This Article applies to the extent this Addendum or any Subcontract is expected to or exceeds \$300,000: Contractor and any Subcontractor must agree to comply with the audit requirements of OMB Circular A-133, as implemented by 45 CFR 74.26 and 92.26, or audit requirements stated in 45 CFR 74.26(d) and in the HHS GPS (for types of organizations to which OMB Circular A-133 does not directly apply).

#### **13. Termination.**

A. In the event that the Prime Contract is terminated, HCDE may immediately terminate this Addendum, by written notice to Contractor. Upon such termination, HCDE will be responsible for payment to Contractor of costs incurred prior to such termination only to the extent those costs are included in the final payment received by HCDE from HHS.

B. HCDE's right to terminate under this Article is in addition to all other remedies for noncompliance that are available to HCDE under this Addendum or provided by law or equity.

C. Contractor must submit a final invoice to HCDE within thirty days after the termination date.

#### **14. Ownership/Protection of HCDE's Confidential Information.**

A. To assist Contractor in the performance of Contractor's duties and Scope of Work, HCDE agrees to provide to Contractor training regarding HCDE's business methods and access to certain confidential and proprietary information and materials belonging to HCDE and/or to vendors of HCDE and/or participants in HCDE's programs or services (hereinafter "vendors and/or participants"). Such confidential and proprietary information and materials (collectively "Confidential Information") includes, without limitation and regardless of whether such information or materials is expressly identified as confidential or proprietary, the following: proposals, employee information, customer lists, vendor lists and relationships, participant lists, marketing strategies, certain financial information relating to HCDE or vendors and/or participants; plans of HCDE or vendors and/or participants; and other trade secrets and valuable, confidential information of HCDE or vendors and/or participants.

B. Contractor understands and agrees that all Confidential Information and every portion thereof constitutes valuable property of HCDE and/or vendors and/or participants, and Contractor further acknowledges the importance of maintaining the security and confidentiality of the Confidential Information.

C. Contractor agrees to keep the Confidential Information, and all documentation, access, and information relating thereto, strictly confidential. Specifically, Contractor agrees that, except as required for the conduct of HCDE's business or as expressly authorized in writing by HCDE, or as may be required by law or court order, Contractor:

- (1) will not disclose or provide access to Confidential Information to any third party;
- (2) will not copy Confidential Information for any reason;
- (3) will not remove Confidential Information from HCDE's premises;
- (4) will return to HCDE all Confidential Information in Contractor's possession upon completion of any Work for HCDE requiring Contractor to have access to such Confidential Information; and
- (5) return to HCDE all Confidential Information upon the termination of Contractor's relationship with HCDE for any reason.

D. The terms and conditions of this Article shall survive the termination of this Addendum.

**15. Compliance with Laws.**

Contractor agrees to comply with all federal, state, and local laws, rules, regulations, and ordinances, as applicable, including, but not limited to, Title 2 CFR Part 200, Title 2 CFR Part 215, Title 2 CFR Part 220, Title 2 CFR Part 225, Title 2 CFR Part 230, Title 45 CFR Part 74, Title 45 CFR Part 75, Title 45 CFR Part 92, and Title 45 CFR Part 93. Contractor certifies compliance with all provisions, laws, acts, regulations, rules, and ordinances, including those referenced in any HCDE vendor packet completed by Contractor, which is incorporated by reference herein.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Harris County Department of Education

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

{Insert Name}

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **ADDENDUM TO SERVICES AGREEMENT FOR SPEAKER**

THIS ADDENDUM to Services Agreement for HCDE Expenditures (“Addendum”) shall amend, supplement, modify, delete and replace by substitution (or where applicable, be inserted as) the indicated provisions of the Agreement. Wherever the terms hereof are inconsistent with the Agreement, the terms hereof shall be controlling.

### **SUPPLEMENTARY TERMS OF AGREEMENT**

#### **1. Services to be Provided by Contractor.**

Contractor shall present [one (1) hour featured session] on “Title” at the [Name] Conference on [Date] and [Time] at the [Location].

#### **2. HCDE Responsibilities.**

HCDE shall provide the [venue, overhead projector, screen, and XX number of copies of the Contractor’s handout].

#### **3. Term of Addendum.**

This Addendum shall continue in effect until:

- A. Canceled by either party as set forth in this Addendum; or
- B. Completion of the session presentation(s) by Contractor provided, however, that in the event of cancellation pursuant to this Addendum, or upon death, disability, or other incapacity resulting in the inability of Contractor to present the session(s) requiring cancellation, this Addendum may be terminated and all consideration due shall cease as of the date of cancellation.

#### **4. Performance.**

Contractor shall present the session(s) set forth in this Addendum and shall:

- A. Present sessions according to HCDE policies, procedures, and practices, and shall not denigrate HCDE, its programs or representatives in any manner.
- B. Agree and state that all materials and content presented by Contractor do not infringe or violate any copyright, trademark, patent, or intellectual property rights of any person or entity, nor do they promote or endorse any product, service, or device that may or is at the time of the program not approved by any governing agency.
- C. Not sell or promote any particular product or service at any time during the session presentation(s).

#### **5. Cancellation.**

**HCDE reserves the right to cancel any session, change the length or size of any session, or change the place or date of any session at its discretion at any time.** In the event of cancellation, HCDE shall not be liable for any expenses, costs, or damages incurred by Contractor except for any expenses incurred and not recoverable. If Contractor desires to cancel this Addendum, Contractor agrees to provide thirty (30) days written notice to HCDE of cancellation prior to his/her first scheduled session and further agrees to refund all compensation paid by HCDE to Contractor for expenses incurred and not recoverable, including, but not limited to, any advance payments of Contractor’s fee.

#### **6. License for Content Archiving/Capture.**

A. Contractor grants to HCDE a non-exclusive license to use Contractor’s presentation and handout materials (collectively “Contractor Property”) in any manner HCDE deems appropriate including, but not limited to, the reproduction, distribution, creation of derivative works, and display on the internet of Contractor Property, with HCDE retaining the proceeds derived from such distribution and use of Contractor Property.

B. Contractor also agrees to work directly with the company performing these services for HCDE and follow all deadlines to provide PowerPoint presentations and handouts that may be associated for content archiving.

Please indicate your choice below:

☐ **YES, I agree to the content archiving/capture of my session(s).**

☐ **NO, I do not agree to the content archiving/capture of my session(s).**

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Harris County Department of Education

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

{Insert Name}

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Harris County Department of Education Advertising/Sponsorship Agreement

This Agreement ("Agreement") is made and entered into by and between Harris County Department of Education ("HCDE"), located at 6300 Irvington Boulevard, Houston, Texas, 77022, and \_\_\_\_\_ ("Company"), located at \_\_\_\_\_, in accordance with the terms and conditions specified herein.

**WHEREAS**, HCDE is committed to equalizing educational opportunities in Harris County, Texas and to obtaining funds necessary to support this objective;

**WHEREAS**, Company desires to advertise its goods/services and will compensate HCDE the fair market value of the advertising opportunities as outlined in this Agreement; and

**WHEREAS**, HCDE has determined that the advertisement opportunities outlined in this Agreement are in support of its educational objectives.

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, HCDE and Company, intending to be legally bound, agree as follows:

1. **Term.** This Agreement is for a term of **INSERT #** months, beginning **INSERT DATE** and ending **INSERT DATE** ("Term"). The effective date of this Agreement is **INSERT DATE**.
2. **Compensation.** In exchange for the advertisement opportunities and other consideration outlined in this Agreement, Company agrees to pay HCDE **INSERT #** dollars (\$**INSERT**), payment of which shall be received by HCDE on or before **INSERT DATE**.
3. **Advertising/Sponsorship Opportunities.** HCDE agrees to allow Company to participate in the following advertising and/or sponsorship opportunities:
  - ☐ to include Company's name, logo, and hyperlink to Company's website on HCDE's eMarketplace webpage, on a location to be selected by HCDE;
  - ☐ to include Company's name, logo, hyperlink to Company's website, and message of no more than 100 words on HCDE's eNewsletter Tuesday Bulletin, on the front page or other prominent location to be selected by HCDE;
  - ☐ to include Company's name, logo, and hyperlink to Company's website on HCDE's **INSERT DIVISION NAME** division webpage, on a location to be selected by HCDE;
  - ☐ to place Company-provided flyers sized no larger than 8.5x11 inches advertising Company's goods/services at a location selected by HCDE during **INSERT EVENT** held on HCDE premises or at an HCDE-sponsored event. Company shall provide at least **INSERT #** copies of its flyers to HCDE on or before **INSERT DATE**;
  - ☐ to include Company's name, logo, hyperlink to Company's website, and message of no more than 100 words on HCDE's internal portal webpage, on a location to be selected by HCDE;

☐ to participate in the R.T. Garcia Early Winter Childhood Conference on **INSERT DATE** by having a booth, of a size determined by HCDE, during the conference and by placing a Company-provided advertisement sized no larger than **INSERT DIMENSIONS** in the conference program. HCDE will provide the **booth space, one table, and two chairs** for Company; all other materials required by Company for the booth shall be provided by Company. Company is responsible for removing all items and materials placed in the booth by or for Company at the conclusion of the conference and shall leave the booth space clean and free of debris;

☐ to participate in the HCDE Summer Best Practices Conference Program on **INSERT DATE** by having a booth, of a size determined by HCDE, during the conference and by placing a Company-provided advertisement sized no larger than **INSERT DIMENSIONS** in the conference program. HCDE will provide the **booth space, one table, and two chairs** for Company; all other materials required by Company for the booth shall be provided by Company. Company is responsible for removing all items and materials placed in the booth by or for Company at the conclusion of the conference and shall leave the booth space clean and free of debris;

☐ to participate in the **INSERT EVENT** on **INSERT DATE** by **INSERT ADVERTISEMENT OPPORTUNITY**. Company is responsible for removing all items and materials placed in or brought to the event premises by or for Company at the conclusion of the event and shall leave the event space occupied or used by Company clean and free of debris.

4. **Non-Exclusivity.** Nothing in this Agreement may be construed to imply that Company has the exclusive right to provide HCDE goods or services, advertise with, or sponsor HCDE or any HCDE event. During the Term of this Agreement, HCDE reserves the right to use all available resources to procure other goods, services, and/or advertisers/sponsors as deemed in the best interest of HCDE in HCDE's sole discretion and doing so will not violate any rights of Company.
5. **Termination.** This Agreement may be terminated prior to the expiration of the Term as follows:
  - a. By mutual written agreement of the parties;
  - b. By either party, without cause, upon thirty (30) days prior written notice to the other party, to be effective upon the expiration of the thirty (30) days or as mutually agreed to by the parties;
  - c. By HCDE immediately upon written notice to Company if Company commits a material breach of any of the terms and conditions of this Agreement; or
  - d. By HCDE immediately in the event the State or Federal governments, any court, or any regulatory body or agency enacts any statute, passes any rule, or enters any decision that makes the existence of or performance of this Agreement unlawful.
6. **Effects of Termination or Expiration.**
  - a. Upon the effective date of termination or expiration of this Agreement, except as otherwise explicitly stated herein, the parties shall have no obligations to the other party under this Agreement.
  - b. In no event shall HCDE make any refund of any compensation provided by Company prior to the effective date of termination or expiration of this Agreement.
7. **Advertising and Sponsorship Materials.** Company shall submit all Materials, as hereinafter defined, to HCDE for review and approval by HCDE prior to any use in connection with this Agreement. The term "Materials" means all materials used in any advertisement, signage, literature, flyer, banners, or the like or posted on any website pursuant to this Agreement and includes, without limitation, text, photos, illustrations, designs, drawings, trademarks, copyrighted information, names, logos, promotional items, product samples, giveaways, and descriptions of any kind relating to Company or HCDE. The term "Approved Materials" means the version of the Materials that is reviewed and approved by HCDE. HCDE reserves the right, in its sole discretion, to reject any Materials for any reason. Accordingly, Company agrees that rejected Materials which are not revised and become Approved Materials will not be used in connection with this Agreement. Company is solely responsible

for all Materials and Approved Materials used in connection with this Agreement and Company assumes all liability for content contained in the Materials. All costs, expenses, fees, and charges for Materials shall be paid solely by Company, including without limitation, all expenses of production, installation, and maintenance of all Materials.

All Materials must comply with the following guidelines:

- a. All Materials must be truthful and may not be misleading or deceptive.
- b. The products and services advertised must be appropriate for the targeted audience (i.e., children v. adults).
- c. This Agreement is voidable by HCDE immediately if Company fails to disclose (or conceals or misrepresents) any involvement with tobacco, alcohol, or pornographic products or services. In addition, HCDE may, in its complete and sole discretion, refuse the use of any advertising or placement of Materials that it deems to be inappropriate based on HCDE policy.
- d. Disclosures and disclaimers required by law shall be clear and conspicuous.
- e. All Materials must at all times comply with any and all applicable laws, rules, regulations, and rights of third parties, and may not infringe any third party's trademark, copyright, right of privacy, right of publicity, right of image, or right of confidentiality, may not misappropriate a trade secret, or be discriminatory, libelous, or slanderous.
- f. The Materials may not advertise products, services or activities which are illegal in Texas or under federal law.
- g. The Materials may not advertise products that negatively affect the health and safety of the public-at-large, such as weapons, tobacco, alcoholic beverages, or pornographic or illegal products or services (which HCDE shall have complete discretion to define).
- h. The Materials may not contain any sexual text or images of any kind or make any sexual connotations, inferences, or comments of a nature questionable for children under the age of 16.
- i. The Materials may not advertise gambling opportunities.
- j. The Materials may not contain offensive, profane, obscene, or otherwise inappropriate language, or defamatory statements.
- k. The Materials may not advertise political candidates, parties, or ballot initiatives.
- l. The Materials may not contain or be used to generate unsolicited spam, or advertising to email lists that are not pre-approved by HCDE.
- m. The Materials may contain URL/links to a third-party website, provided, that such website must be under Company's control and may not sell or distribute products or services prohibited under this Agreement. Company hereby agrees to assume full liability and responsibility for any third-party website to which a site user may link through a URL/link contained in Company's Materials.

8. **Right to Use Trade Names, Trademarks, Logos, and Copyrighted Materials.** Company hereby grants HCDE a non-exclusive right to use any of Company's trade names, trademarks or logos, and copyrighted materials as supplied by Company, in connection with this Agreement. Company may not publish or use any publicity materials relating to this Agreement or use HCDE's name or logo(s) without the prior written consent of HCDE.
9. **Privacy Rights.** Company acknowledges that it does not have the right to use the names, signatures, photographs, or likenesses of any HCDE employee, student, or participant in connection with any submitted Materials or Approved Materials for a commercial product or service.
10. **Texas Public Information Act.** Company acknowledges that HCDE is subject to the Texas Public Information Act, and Company waives any claim against and releases from liability HCDE, its officers, employees, agents, and attorneys with respect to disclosure of information provided under or in this Agreement or otherwise created, assembled, maintained, or held by Company or HCDE and determined by HCDE, the Attorney General of Texas, or a court of law to be subject to disclosure under the Texas Public Information Act.

11. **Insurance.** Company represents and agrees that it shall provide and maintain commercially reasonable and necessary insurance covering Company's obligations under this Agreement, including, without limitation, Company's indemnity obligations. On request by HCDE, Company shall provide HCDE certificates of insurance indicating proof of any such insurance.
12. **Warranties and Limitation of Liability.** Company warrants and represents that: (a) Company has full power and authority to enter into this Agreement on behalf of Company; (b) the Materials provided to HCDE and used in connection with this Agreement are original material belonging to Company and/or that Company has obtained any and all rights, permissions, and licenses necessary for the use of the Materials in connection with this Agreement; and (c) that the use, reproduction, distribution, or transmission of Materials will not violate any criminal laws or any rights of any third parties, including, but not limited to, such violations as infringement or misappropriation of any copyright, patent, trademark, trade secret, music, image, or other proprietary or property right, false advertising, unfair competition, defamation, invasion of privacy or rights of celebrity, violation of any antidiscrimination law or regulation, or any other right of any person or entity.

**EXCEPT AS MAY OTHERWISE BE PROVIDED HEREIN, HCDE MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY KIND. TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, HCDE DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF PERFORMANCE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, OMISSIONS, COMPLETENESS, AND DELAYS. HCDE DOES NOT MAKE ANY WARRANTY AS TO THE EFFECTIVENESS OF OR POTENTIAL RESULTS ARISING FROM PLACEMENT OF COMPANY'S MATERIALS ON ANY HCDE PROPERTY, INCLUDING, WITHOUT LIMITATION, HCDE'S WEBSITE, OR THAT ACCESS TO ANY HCDE WEBSITE WILL BE UNINTERRUPTED, SECURE, COMPLETE, OR ERROR FREE, THAT DEFECTS WILL BE CORRECTED, OR THAT HCDE'S WEBSITES OR THE SERVER(S) ARE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS. EXCEPT AS EXPRESSLY PROVIDED HEREIN OR AS REQUIRED BY LAW, UNDER NO CIRCUMSTANCES SHALL HCDE BE LIABLE FOR EXEMPLARY, SPECIAL, PUNITIVE, CONSEQUENTIAL, OR INCIDENTAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS, BUSINESS REVENUE, OR GOODWILL DUE TO ANY CAUSE WHATSOEVER, EVEN IF HCDE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

13. **Relationship of the Parties.** It is understood and agreed that Company is a separate legal entity from HCDE and Company is not an employee, agent, joint venturer, or partner of HCDE. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between HCDE and either Company or any employee or agent of Company. Company assumes full responsibility for the actions of its personnel while performing any services incident to this Agreement and shall remain solely responsible for their supervision, direction and control, payment of salary, workers' compensation, disability benefits, and like requirements and obligations. Company agrees that HCDE has no responsibility for any conduct of Company or Company's employees, agents, representatives, contractors, or subcontractors. This Agreement, including without limitation, any advertising/sponsorship opportunities granted to Company by HCDE hereunder, shall not be construed or deemed an approval or endorsement of Company or any issue, product, organization, activity, or position by HCDE.
14. **No Waiver of HCDE's Immunity.** The execution of this Agreement and the performance by HCDE of any of its obligations hereunder are not, and are not intended to waive or relinquish, and HCDE shall not waive or relinquish, any governmental, sovereign immunity or defense from or to liability or prosecution available to HCDE, its trustees, officers, employees, or agents under federal or Texas laws.



15. **INDEMNIFICATION.** **COMPANY AGREES THAT COMPANY SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS HCDE AND HCDE'S PAST, PRESENT, AND FUTURE TRUSTEES, OFFICERS, AND EMPLOYEES, FROM AND AGAINST ALL CLAIMS, DEMANDS, CAUSES OF ACTION, DAMAGES, COSTS, AND EXPENSES, INCLUDING, WITHOUT LIMITATION, COURT COSTS AND REASONABLE ATTORNEYS' FEES, OF ANY KIND OR NATURE ASSERTED BY ANY THIRD PARTY, OCCURRING OR IN ANY WAY INCIDENT TO, ARISING OUT OF, OR IN CONNECTION WITH ANY ACTS OF COMPANY AND/OR COMPANY'S AGENTS, EMPLOYEES, AND/OR SUBCONTRACTORS DONE IN CONNECTION WITH THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, THOSE ARISING FROM CLAIMED INFRINGEMENT OF ANY PATENTS, TRADEMARKS, COPYRIGHT OR OTHER CORRESPONDING RIGHT(S).** Company's obligations under this clause shall survive termination or expiration of this Agreement.

**NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED TO CREATE A CLAIM OR CAUSE OF ACTION AGAINST HCDE FOR WHICH HCDE IS NOT OTHERWISE LIABLE, OR TO WAIVE ANY IMMUNITY OR DEFENSE TO WHICH HCDE MAY BE ENTITLED, OR TO CREATE AN IMPERMISSIBLE DEFICIENCY DEBT OF HCDE.**

16. **Compliance with applicable laws and HCDE policies.** Company agrees to comply with all applicable requirements of state and federal laws, executive orders, regulations, guidelines, and HCDE policies and procedures, including, without limitation, HCDE Policy GKB (Local) relating to advertising, applicable to this Agreement. For the entire duration of this Agreement, Company shall maintain all required licenses, certifications, permits, and any other documentation necessary to perform this Agreement. Company further agrees that Company, its employees, subcontractors, and subcontractor's employees may not use or possess any firearms, alcoholic or other intoxicating beverages, illegal drugs or controlled substances while on HCDE's property, nor may such workers be intoxicated or under the influence of alcohol or drugs while on HCDE's property.

Company hereby certifies that it is not a company identified on the Texas Comptroller's list of companies known to have contracts with, or provide supplies or services to, a foreign organization designated as a Foreign Terrorist Organization by the U.S. Secretary of State. Company further certifies and verifies that neither Contractor, nor any affiliate, subsidiary, or parent company of Company, if any (the "Company Companies"), boycotts Israel, and Company agrees that Company and Company Companies will not boycott Israel during the term of this Agreement. For purposes of this Agreement, the term "boycott" shall mean and include terminating business activities or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory.

17. **Notification of Significant Change in Business Operations.** Company is required to notify HCDE when any material change in Company's operations occurs, including but not limited to, bankruptcy, material changes in financial condition, change of ownership, and the like, within three (3) business days of such change.
18. **Debarment and Suspension.** Company certifies, to the best of its knowledge and belief, that it is not presently debarred, suspended for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency.
19. **Criminal History Background Checks.** Prior to having any direct contact with students on HCDE property or at an HCDE-sponsored event under this Agreement, Company shall certify that for each covered employee of Company who will have direct contact with students, Company has obtained, as required by Texas Education Code Section 22.0834: (a) state criminal history record information from a law enforcement or criminal justice agency or a private entity that is a consumer reporting agency

governed by the Fair Credit Reporting Act (15 U.S.C. Section 1681 et seq.) for each covered employee of Company employed before January 1, 2008; and (b) national criminal history record information for each employee of Company employed on or after January 1, 2008. Company must also obtain similar certifications of compliance with Texas Education Code Chapter 22's requirements from any subcontractors. Covered employees with disqualifying criminal history are prohibited from serving at HCDE or at HCDE-sponsored events.

20. **Compliance with Laws.** Company agrees to comply with all federal, state, and local laws, rules, regulations, and ordinances, as applicable. Company certifies compliance with all applicable provisions, laws, acts, regulations, rules, and ordinances, including those referenced in any HCDE vendor packet completed by Company, which is incorporated by reference herein.
21. **No Third Party Beneficiaries.** Nothing in this Agreement shall be deemed or construed to create any third party beneficiaries or otherwise give any third party any claim or right of action against any party to this Agreement.
22. **Notice.** All notices and other communications shall be in writing and are effective three (3) days after deposit in the U.S. mail, certified and postage paid, or upon receipt if personally delivered or sent by next-business-day delivery via a nationally recognized overnight courier to the addresses set forth below. HCDE and Company may from time to time designate any other address for this purpose by providing written notice to the other party.

**If to HCDE, to:**

Harris County Department of Education  
6300 Irvington Boulevard  
Houston, TX 77022  
Attn: James Colbert, Jr.

**If to Company, to:**

Company Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Attn.: \_\_\_\_\_

23. **Force Majeure.** Neither HCDE nor Company shall be deemed to have breached any provision of this Agreement as a result of any delay, failure in performance, or interruption of service resulting directly or indirectly from acts of God, network failures, acts of civil or military authorities, civil disturbances, wars, energy crises, fires, transportation contingencies, interruptions in third-party telecommunications or Internet equipment or service, other catastrophes, or any other occurrences which are reasonably beyond such party's control.
24. **Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflicts of laws provisions. The mandatory and exclusive venue for the adjudication or resolution of any dispute arising out of or relating to this Agreement shall be in Harris County, Texas.
25. **Entire Agreement.** This Agreement and the attached and incorporated addendum or exhibits, if any, contain the entire agreement of the parties relative to the purpose(s) of the Agreement and supersede any other representations, agreements, arrangements, negotiations, or understanding, oral or written, between the parties to this Agreement.

26. **Severability.** In the event that any one or more of the provisions contained in this Agreement 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 Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.
27. **Interpretation.** The parties agree that the normal rules of construction that require that any ambiguities in this Agreement are to be construed against the drafter shall not be employed in the interpretation of this Agreement.
28. **Changes and Amendments.** This Agreement may be amended, modified, and/or supplemented only by the mutual agreement of the parties, in writing, to be attached to and incorporated in this Agreement.
29. **Assignment.** Neither this Agreement nor any duties or obligations under it shall be assignable by Company without the prior written acknowledgment and authorization of HCDE. Any attempted assignment by Company without HCDE's prior written consent shall be void.
30. **No Waiver.** No failure on the part of either party at any time to require the performance by the other party of any term hereof shall be taken or held to be a waiver of such term or in any way affect such party's right to enforce such term, and no waiver on the part of either party of any term hereof shall be taken or held to be a waiver of any other term hereof or the breach thereof. No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by duly authorized representatives of the parties hereto.
31. **Captions.** The captions herein are for convenience and identification purposes only, are not an integral part hereof, and are not to be considered in the interpretation of any part hereof.
32. **Counterparts.** This Agreement may be executed in separate counterparts, each of which when so executed shall be an original, but all of such counterparts shall together constitute but one and the same instrument.

\_\_\_\_\_  
James Colbert, Jr.  
*County School Superintendent, Harris County Department of Education*

Date \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Printed Name

Date \_\_\_\_\_

**Interlocal Agreement**  
**between Harris County Department of Education**  
**& \_\_\_\_\_**

Pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and Chapter 271, Subchapter F of the Texas Local Government Code, and other similar, applicable laws of other states, this Interlocal Agreement (“Agreement”) is made and entered into by and between Harris County Department of Education (“HCDE”), located in Houston, Texas, and \_\_\_\_\_, a local governmental entity and/or political subdivision (“LGE”), located in \_\_\_\_\_ (city), \_\_\_\_\_ (state), for the purpose of contracting for the performance of governmental functions and services. The undersigned may be referred to in this Agreement individually as a “Party” and collectively as the “Parties.”

**Preamble**

HCDE is a local governmental entity established to promote education in Harris County, Texas and is duly authorized to provide programs and services in the State of Texas. Both HCDE and LGE desire to set forth, in writing, the terms and conditions of their agreement.

**General Terms and Conditions**

In consideration of the mutual covenants and conditions contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Term. The term of this Agreement shall commence on the date of the first signature of this Agreement (“Effective Date”) and shall automatically renew annually, unless either Party gives thirty (30) days prior written notice of non-renewal.
2. Agreement. The terms of this Agreement shall apply and will be considered a part of any addendum, purchase order, or contract for programs and services delivered by HCDE. This Agreement and the attached and incorporated addenda, purchase orders, or exhibits, if any, contain the entire agreement of the parties, and there are no representations, agreements, arrangements, or undertakings, oral or written, between the Parties to this Agreement other than those set forth in this Agreement and duly executed in writing.
3. Purpose and Scope of Work.
  - A. HCDE agrees to:**
    - Provide LGE with descriptive offerings of each of the programs and services that HCDE provides.
    - Provide programs and services upon LGE’s submission of independent contracts or purchase orders to HCDE and HCDE’s acceptance thereof. HCDE’s obligations to provide programs and services is contingent on HCDE acquiring and maintaining sufficient staffing through reasonable efforts to satisfy HCDE’s obligations under this Agreement and all similar obligations under its contracts with other local governmental entities.
    - Conduct, at a minimum, an annual audit or survey, as appropriate, for each of the programs and services that HCDE delivers.
  - B. LGE agrees to:**
    - Participate in any or all of the programs and services that HCDE offers, in LGE’s sole discretion.

- Submit purchase order(s) or independent contract(s) for each of the HCDE programs and/or services that LGE desires to purchase and/or collaborate.
  - Agree to follow the terms and conditions of each independent contract or purchase order.
  - Designate a person to act as LGE's representative to each respective HCDE program and/or service delivered.
4. As is. HCDE makes this Agreement available to HCDE participating entities "as is" and is under no obligation to revise the terms, conditions, scope, prices, and/or any requirements of the Agreement for the benefit of LGE.
  5. Master Contract. This Agreement can be utilized as a Master Contract. The general terms and conditions in this Agreement will serve to outline the working relationship between HCDE and LGE.

LGE agrees to adhere to the specific terms and conditions set forth for the HCDE programs and/or services as contracted by LGE. In the case of a conflict between this Agreement and any addendum, purchase order, or individual contract for a specific HCDE program or service, the provisions of the addendum, purchase order, or individual contract will govern.

6. Payments. The Parties agree that all payments made under this Agreement will be in an amount that fairly compensates the performing Party for the services or functions performed under this Agreement. The Parties further agree that each Party paying for the performance of governmental functions or services pursuant to this Agreement must make those payments from current revenues available to the paying Party.
7. Invoices. HCDE will invoice LGE for the HCDE programs and services that LGE purchases from HCDE. LGE agrees to remit payment to HCDE within thirty (30) days after the later of the following: (1) the date LGE receives the goods; (2) the date the performance of the service is completed; or (3) the date LGE receives an invoice for the goods or service. If LGE makes a payment to HCDE with a credit card, LGE agrees to pay to HCDE a surcharge fee consisting of any applicable credit card fees and/or costs incurred by HCDE, including, without limitation, the processing fee(s) charged to HCDE by the credit card company(ies).
8. Participation in HCDE's Cooperative Purchasing Program. If LGE elects to participate in HCDE's cooperative purchasing program, Choice Partners, LGE shall be permitted to purchase goods and services using the contracts competitively procured by HCDE. HCDE does not assess a fee to LGE for participation in Choice Partners. LGE shall make payments directly to vendors. LGE shall be responsible for ordering, inspecting, and accepting the goods and services purchased through Choice Partners. LGE shall further be responsible for the vendors' compliance with provisions relating to the specific quality of goods and services delivered and terms of delivered, as set forth between LGE and the vendor. HCDE is not responsible or liable for the performance of any vendor used by LGE as a result of this Agreement or LGE's participation in Choice Partners.
9. Compliance with Laws. Each Party is responsible for complying with applicable laws and regulations relating to this Agreement and any purchase made under this Agreement.

10. Termination. This Agreement may be terminated prior to the expiration of the Term hereof as follows:

- By either Party, with or without cause, upon thirty (30) days' prior written notice;
- By mutual written agreement of the Parties; or
- By either Party immediately if the other Party commits a material breach of any of the terms of this Agreement and no remedial action can be agreed upon by the Parties.

Termination of this Agreement by a Party shall not terminate an existing purchase order or individual contract between HCDE and LGE or between LGE and an HCDE cooperative purchasing program vendor. In the event of termination of this Agreement or any purchase order or individual contract, LGE shall be responsible for compensating HCDE for programs and services provided by HCDE up to the effective date of termination.

11. Assignment. Neither this Agreement nor any duties or obligations entered in subsequent contracts because of this agreement shall be assignable by either party without the prior written acknowledgment and authorization of both parties.
12. Conflict of Interest. During the Term of HCDE's service to LGE, LGE, its personnel and agents, shall not, directly or indirectly, whether for LGE's own account or with any other person or entity whatsoever, employ, solicit or endeavor to entice away any person who is employed by HCDE.
13. Contract Amendment. This Agreement may be amended only by the mutual agreement of all Parties, in writing, to be attached to and incorporated into this Agreement.
14. Notice. Any notice provided under the terms of this Agreement 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:

Harris County Department of Education  
Attn: James Colbert, Jr.  
County School Superintendent  
6300 Irvington Blvd.  
Houston, Texas 77022  
713-694-6300

\_\_\_\_\_("LGE")  
Attn: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

15. Relation of Parties. It is the intention of the parties that LGE is independent of HCDE and not an employee, agent, joint venturer, or partner of HCDE and nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee, agent, joint venturer or partner, between HCDE and LGE or HCDE and any of LGE's representatives.
16. Non-Exclusivity of Services. Nothing in this Agreement may be construed to imply that HCDE has exclusive right to provide LGE with programs or services. During the Term of this Agreement, LGE reserves the right to use all available resources to procure other programs and services as needed and, in doing so, will not violate any rights of HCDE.

17. Disclaimer. HCDE DOES NOT WARRANT THAT THE OPERATION OR USE OF HCDE PROGRAMS AND/OR SERVICES WILL BE UNINTERRUPTED OR ERROR FREE. HCDE HEREBY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, IN REGARD TO ANY INFORMATION, PRODUCT, PROGRAM, OR SERVICE FURNISHED UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
18. Limitation of Liability. Without waiver of the Disclaimer in Article 17 of this Agreement, the Parties agree that:
- Neither Party waives any immunity afforded to it under applicable law; and
  - Neither Party shall be liable to the other Party for special, incidental, or exemplary damages with regard to any lawsuit or formal adjudication arising out of or relating to this Agreement.
19. Severability. In the event that any one or more of the provisions contained in this Agreement 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 Agreement shall be construed as if such invalid, illegality, or unenforceable provision had never been contained in it.
20. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflicts of laws provisions. The mandatory and exclusive venue for the adjudication or resolution of any dispute arising out of this Agreement shall be in Houston, Harris County, Texas.
21. No Waiver. Nothing in this Agreement shall be deemed to waive, modify, or amend any legal defense available at law or equity to a Party, including the defense(s) of immunity. No failure on the part of either Party at any time to require the performance by the other Party of any term hereof shall be taken or held to be a waiver of such term or in any way affect such Party's right to enforce such term, and no waiver on the part of either Party of any term hereof shall be taken or held to be a waiver of any other term hereof or the breach thereof. No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by duly authorized representatives of the Parties hereto.
22. Benefit for Signatory Parties Only. Neither this Agreement, nor any term or provisions hereof, not any inclusion by reference, shall be construed as being for the benefit of any party not in signatory hereto.
23. Authorization. Each party acknowledges that the governing body of each Party to the Agreement has authorized and approved this Agreement.
24. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original constituting one and the same instrument.

In witness whereof, HCDE and LGE have executed this Agreement to be effective on the date specified in Article 1. Term above:

\_\_\_\_\_  
Name of Local Governmental Entity

Harris County Department of Education

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_

\_\_\_\_\_  
Printed Name

James Colbert, Jr.

\_\_\_\_\_  
Title

County School Superintendent

\_\_\_\_\_  
Date

\_\_\_\_\_

Type of Local Governmental Entity (*select one*):

- ☐ School District      ☐ Charter School
- ☐ County                ☐ City/Municipality
- ☐ University            ☐ College
- ☐ State Entity
- ☐ Governmental entity/other: \_\_\_\_\_



## Interlocal Contract Between Harris County Department of Education and

Pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, this Interlocal Contract (the "Contract") is made and entered into between Harris County Department of Education ("HCDE") and \_\_\_\_\_ ("District") for the purpose of performing governmental functions and services and to state the terms, rights, and duties of the contracting parties during the 20\_\_-20\_\_ school year (\_\_/\_\_/20\_\_ - \_\_/\_\_/20\_\_). This Contract is entered into in accordance with and subject to the Master Interlocal Agreement between the parties, executed on \_\_\_\_\_.

### Arrangement with HCDE's **INSERT** Division

HCDE agrees to provide the services as described below. District agrees to pay for the services within thirty (30) days of receiving an invoice for the services.

<u>Type(s) of Service(s)</u>	<u>Total Days/Hours</u>	<u>Cost Day/Hour</u>	<u>Total Cost</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
			Total: _____

Services rendered in accordance with this Contract shall be funded by District's use of \_\_\_\_\_ [funding source(s) (i.e., local dollars, grant funding, etc.)]. Payment for services rendered shall be allocated as follows: \_\_\_\_\_% funded by \_\_\_\_\_ [funding source]; and \_\_\_\_\_% funded by \_\_\_\_\_ [additional funding source, if applicable].

### Additional Terms

1. This Contract may be terminated by either party without cause with thirty (30) days advance written notice. HCDE's obligations under this Contract are contingent on it acquiring and maintaining sufficient staffing through reasonable efforts to satisfy its obligations under this Contract and all similar obligations under its contracts with other districts. In the event of termination, District will compensate HCDE for services provided up to the termination date.
2. This Contract constitutes the sole agreement of the parties relative to the purpose(s) of this Contract and supersedes any other oral or written understandings or agreements, with the sole exception of the Master Interlocal Agreement between the parties. This Contract may only be amended in writing with the consent of both parties. This Contract is not assignable.
3. This Contract shall be construed under the laws of the State of Texas and mandatory and exclusive venue in any action arising out of this Contract shall be in Harris County, Texas.
4. Each party paying for the performance of governmental functions must make those payments from current revenues available to the paying party.
5. 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 hereof.
6. This Contract does not create a joint venture or business partnership under Texas law.
7. The total amount of this Contract is an estimate based on data provided by both parties. Invoices will be sent by HCDE for services rendered during the term of this Contract.
8. In the event that the District makes a payment to HCDE with a credit card, the District agrees to pay to HCDE a surcharge fee consisting of any applicable credit card fees and costs borne by HCDE, including, without limitation, the processing fee(s) charged to HCDE by the credit card company(ies).
9. HCDE will make every attempt to provide the service detailed herein as indicated, however, some alterations in the staffing, timeline, and similar details within an individual discipline may be necessary. No changes to the services detailed herein will be made without the mutual written consent of both parties. In no case will the dollar amount of the Contract be exceeded without a formal contract amendment.
10. In accordance with Senate Bill 9, HCDE submits fingerprints to the State Board for Educator Certification (SBEC) for all new employees and pursues criminal history background checks annually on all HCDE employees.
11. Harris County Department of Education adheres to the Uniform Grant Guidance as codified in 2 CFR Part 200, or otherwise known as EDGAR (Education Department General Administrative regulations).

Agreed to:

\_\_\_\_\_, Superintendent/Designee

James Colbert, Jr., County School Superintendent

Date

Date

Revised 8.24.17

For HCDE office use only: Revenue Account No. 199- -00- -00- -5726-0000

Contract Code \_\_\_\_\_

James Colbert, Jr., County School Superintendent  
6300 Irvington Boulevard ★ Houston, Texas 77022 ★ Tel: 713.696.6300 ★ [www.hcde-texas.org](http://www.hcde-texas.org)

**Participation Agreement**  
**between Harris County Department of Education**  
**& \_\_\_\_\_**

This Participation Agreement (“Agreement”) is made and entered into by and between Harris County Department of Education (“HCDE”), located in Houston, Texas, and \_\_\_\_\_, a non-profit corporation (“Non-Profit”), located in \_\_\_\_\_ (city), \_\_\_\_\_ (state), for the purpose of permitting Non-Profit to participate in any or all of the programs and services that HCDE offers, including, without limitation, HCDE’s cooperative purchasing program, Choice Partners. The undersigned may be referred to in this Agreement individually as a “Party” and collectively as the “Parties.”

**Preamble**

HCDE is a local governmental entity established to promote education in Harris County, Texas and is duly authorized to provide programs and services in the State of Texas. Non-Profit certifies, represents, and warrants that it is a non-profit, tax-exempt entity. Both HCDE and Non-Profit desire to set forth, in writing, the terms and conditions of their agreement.

**General Terms and Conditions**

In consideration of the mutual covenants and conditions contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Term. The term of this Agreement shall commence on the date of the first signature of this Agreement (“Effective Date”) and shall automatically renew annually, unless either Party gives thirty (30) days prior written notice of non-renewal.
2. Agreement. The terms of this Agreement shall apply and will be considered a part of any addendum, purchase order, or contract for programs and services delivered by HCDE. This Agreement and the attached and incorporated addenda, purchase orders, or exhibits, if any, contain the entire agreement of the parties, and there are no representations, agreements, arrangements, or undertakings, oral or written, between the Parties to this Agreement other than those set forth in this Agreement and duly executed in writing.
3. Purpose and Scope of Work.
  - A. HCDE agrees to:**
    - Provide Non-Profit with descriptive offerings of each of the programs and services that HCDE provides.
    - Provide programs and services upon Non-Profit’s submission of independent contracts or purchase orders to HCDE and HCDE’s acceptance thereof. HCDE’s obligations to provide programs and services is contingent on HCDE acquiring and maintaining sufficient staffing through reasonable efforts to satisfy HCDE’s obligations under this Agreement and all similar obligations under its contracts with other local governmental entities.
    - Conduct, at a minimum, an annual audit or survey, as appropriate, for each of the programs and services that HCDE delivers.
  - B. Non-Profit agrees to:**
    - Participate in any or all of the programs and services that HCDE offers, in Non-Profit’s sole discretion.

- Submit purchase order(s) or independent contract(s) for each of the HCDE programs and/or services that Non-Profit desires to purchase and/or collaborate.
  - Agree to follow the terms and conditions of each independent contract or purchase order.
  - Designate a person to act as Non-Profit's representative to each respective HCDE program and/or service delivered.
4. As is. HCDE makes this Agreement available to HCDE participating entities "as is" and is under no obligation to revise the terms, conditions, scope, prices, and/or any requirements of the Agreement for the benefit of Non-Profit.
  5. Master Contract. This Agreement can be utilized as a Master Contract. The general terms and conditions in this Agreement will serve to outline the working relationship between HCDE and Non-Profit.

Non-Profit agrees to adhere to the specific terms and conditions set forth for the HCDE programs and/or services as contracted by Non-Profit. In the case of a conflict between this Agreement and any addendum, purchase order, or individual contract for a specific HCDE program or service, the provisions of the addendum, purchase order, or individual contract will govern.

6. Payments. The Parties agree that all payments made under this Agreement will be in an amount that fairly compensates the performing Party for the services or functions performed under this Agreement. The Parties further agree that each Party paying for the performance of governmental functions or services pursuant to this Agreement must make those payments from current revenues available to the paying Party.
7. Invoices. HCDE will invoice Non-Profit for the HCDE programs and services that Non-Profit purchases from HCDE. Non-Profit agrees to remit payment to HCDE within thirty (30) days after the later of the following: (1) the date Non-Profit receives the goods; (2) the date the performance of the service is completed; or (3) the date Non-Profit receives an invoice for the goods or service. If Non-Profit makes a payment to HCDE with a credit card, Non-Profit agrees to pay to HCDE a surcharge fee consisting of any applicable credit card fees and/or costs incurred by HCDE, including, without limitation, the processing fee(s) charged to HCDE by the credit card company(ies).
8. Participation in HCDE's Cooperative Purchasing Program. If Non-Profit elects to participate in HCDE's cooperative purchasing program, Choice Partners, Non-Profit shall be permitted to purchase goods and services using the contracts competitively procured by HCDE. HCDE does not assess a fee to Non-Profit for participation in Choice Partners. Non-Profit shall make payments directly to vendors. Non-Profit shall be responsible for ordering, inspecting, and accepting the goods and services purchased through Choice Partners. Non-Profit shall further be responsible for the vendors' compliance with provisions relating to the specific quality of goods and services delivered and terms of delivered, as set forth between Non-Profit and the vendor. HCDE is not responsible or liable for the performance of any vendor used by Non-Profit as a result of this Agreement or Non-Profit's participation in Choice Partners.
9. Compliance with Laws. Each Party is responsible for complying with applicable laws and regulations relating to this Agreement and any purchase made under this Agreement.

10. Termination. This Agreement may be terminated prior to the expiration of the Term hereof as follows:

- By either Party, with or without cause, upon thirty (30) days' prior written notice;
- By mutual written agreement of the Parties; or
- By either Party immediately if the other Party commits a material breach of any of the terms of this Agreement and no remedial action can be agreed upon by the Parties.

Termination of this Agreement by a Party shall not terminate an existing purchase order or individual contract between HCDE and Non-Profit or between Non-Profit and an HCDE cooperative purchasing program vendor. In the event of termination of this Agreement or any purchase order or individual contract, Non-Profit shall be responsible for compensating HCDE for programs and services provided by HCDE up to the effective date of termination.

11. Assignment. Neither this Agreement nor any duties or obligations entered in subsequent contracts because of this agreement shall be assignable by either party without the prior written acknowledgment and authorization of both parties.

12. Conflict of Interest. During the Term of HCDE's service to Non-Profit, Non-Profit, its personnel and agents, shall not, directly or indirectly, whether for Non-Profit's own account or with any other person or entity whatsoever, employ, solicit or endeavor to entice away any person who is employed by HCDE.

13. Certificate of Interested Parties. HCDE is required to comply with House Bill 1295, which amended the Texas Government Code by adding Section 2252.908, Disclosure of Interested Parties. Section 2252.908 prohibits HCDE from entering into a contract with a business entity unless the business entity submits a Disclosure of Interested Parties (Form 1295) to HCDE at the time business entity submits the signed contract. Non-Profit agrees to complete the Certificate of Interested Parties electronically with the Texas Ethics Commission and submit the original signed, notarized certificate to HCDE with submission of this signed Agreement.

14. Contract Amendment. This Agreement may be amended only by the mutual agreement of all Parties, in writing, to be attached to and incorporated into this Agreement.

15. Notice. Any notice provided under the terms of this Agreement 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:

Harris County Department of Education  
Attn: James Colbert, Jr.  
County School Superintendent  
6300 Irvington Blvd.  
Houston, Texas 77022  
713-694-6300

\_\_\_\_\_ (“ Non-Profit”)  
Attn: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

16. Relation of Parties. It is the intention of the parties that Non-Profit is independent of HCDE and not an employee, agent, joint venturer, or partner of HCDE and nothing in this

Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee, agent, joint venturer or partner, between HCDE and Non-Profit or HCDE and any of Non-Profit's representatives.

17. Non-Exclusivity of Services. Nothing in this Agreement may be construed to imply that HCDE has exclusive right to provide Non-Profit with programs or services. During the Term of this Agreement, Non-Profit reserves the right to use all available resources to procure other programs and services as needed and, in doing so, will not violate any rights of HCDE.
18. Disclaimer. HCDE DOES NOT WARRANT THAT THE OPERATION OR USE OF HCDE PROGRAMS AND/OR SERVICES WILL BE UNINTERRUPTED OR ERROR FREE. HCDE HEREBY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, IN REGARD TO ANY INFORMATION, PRODUCT, PROGRAM, OR SERVICE FURNISHED UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
19. Limitation of Liability. Without waiver of the Disclaimer in Article 17 of this Agreement, the Parties agree that:
  - Neither Party waives any immunity afforded to it under applicable law; and
  - Neither Party shall be liable to the other Party for special, incidental, or exemplary damages with regard to any lawsuit or formal adjudication arising out of or relating to this Agreement.
20. Severability. In the event that any one or more of the provisions contained in this Agreement 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 Agreement shall be construed as if such invalid, illegality, or unenforceable provision had never been contained in it.
21. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflicts of laws provisions. The mandatory and exclusive venue for the adjudication or resolution of any dispute arising out of this Agreement shall be in Houston, Harris County, Texas.
22. No Waiver. Nothing in this Agreement shall be deemed to waive, modify, or amend any legal defense available at law or equity to a Party, including the defense(s) of immunity. No failure on the part of either Party at any time to require the performance by the other Party of any term hereof shall be taken or held to be a waiver of such term or in any way affect such Party's right to enforce such term, and no waiver on the part of either Party of any term hereof shall be taken or held to be a waiver of any other term hereof or the breach thereof. No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by duly authorized representatives of the Parties hereto.
23. Benefit for Signatory Parties Only. Neither this Agreement, nor any term or provisions hereof, not any inclusion by reference, shall be construed as being for the benefit of any party not in signatory hereto.

24. Authorization. Each party acknowledges that the governing body of each Party to the Agreement has authorized and approved this Agreement.
25. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original constituting one and the same instrument.

In witness whereof, HCDE and Non-Profit have executed this Agreement to be effective on the date specified in Article 1. Term above:

_____	Harris County Department of Education
Name of Non-Profit Corporation	
_____	_____
Authorized Signature	
_____	James Colbert, Jr.
Printed Name	
_____	County School Superintendent
Title	
_____	_____
Date	Date

**CONTRACTOR AGREEMENT  
BETWEEN  
HARRIS COUNTY DEPARTMENT OF EDUCATION AND  
[ENTER CONTRACTOR]**

This Contractor Agreement (“Agreement”) is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 201\_\_, by and between Harris County Department of Education, a county school district located at 6300 Irvington Boulevard, Houston, Texas 77022 (“HCDE”) and [ENTER CONTRACTOR], located at [ENTER CONTRACTOR’S ADDRESS] (“Contractor”). HCDE and Contractor are sometimes referred to as “Parties” or either may singularly be referred to as “Party.”

**WITNESS THAT:**

**WHEREAS**, Contractor was selected by HCDE and awarded Job/RFP No. [ENTER], to perform [ENTER] services;

**WHEREAS**, HCDE desires to contract with Contractor for [ENTER], in the total amount of [ENTER]; and

**WHEREAS**, the Parties desire to set forth the terms and conditions of their Agreement herein.

**NOW, THEREFORE**, in consideration of the mutual covenants, conditions, and obligations of the Parties set forth in the Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound do hereby agree as follows:

1. **Agreement Documents:** The Agreement shall include the following Agreement Documents: (1) the body of this Agreement; (2) the Exhibits attached to this Agreement; (3) the Construction Documents, if any, as defined herein; and (4) Valid Amendments made in accordance with Article 33.
2. **Definitions:** As used in the Agreement, the following terms shall have the meanings set forth below:
  - a) The word “furnish” shall mean “to supply and deliver to the Project Site, ready for installation”.
  - b) The word “install” shall mean “to place in position for service or use”.
  - c) The word “provide” shall mean “to furnish and install, complete and ready for intended use”.
  - d) The term “Architect” shall mean the architect, if any, retained by HCDE in connection with the Project. If an Architect is retained by HCDE, the Architect will have the authority to act on behalf of HCDE only to the extent provided in the Agreement.
  - e) The term “Construction Documents” means any drawings, plans, specifications, or other construction documents prepared by, or approved in writing by, HCDE relating to the Project, and any Valid Amendments thereto. Construction Documents do not include drawings, samples, plans, specifications drafted by or for Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier, or distributor to illustrate some portion of the Work.
  - f) The term “Contract Time” means the period of time, including authorized adjustments, allotted in the Agreement for Substantial Completion of the Work.
  - g) The term “day” means a calendar day, including Saturday, Sunday, and holidays, unless otherwise specifically defined.
  - h) The term “Project” means [ENTER].

- i) The term “Project Site” means any physical location or locations where the Work is to be performed, including HCDE premises, any Work storage, parking, mobilization, or staging areas used to support the Work or perform any part of the Work.
- j) The term “Subcontractor” means a person or entity that has a direct contract with Contractor to perform a portion of the Work. The term “Subcontractor” is referred to throughout the Agreement as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term “Subcontractor” does not include any contractor who has a direct contract with HCDE (a “Separate Contractor”) or any subcontractors of a Separate Contractor.
- k) The term “Sub-subcontractor” means a person or entity that has a direct or indirect contract with a Subcontractor to perform a portion of the Work. The term “Sub-subcontractor” is referred to throughout the Agreement as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.
- l) The term “Substantial Completion” means the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Agreement such that HCDE can occupy or utilize the Work for its intended use.
- m) The term “Valid Amendment” means those supplements, amendments, changes, or modifications to the Agreement Documents that are made in accordance with Article 33.
- n) The term “Work” means the doing of all things described in, and all tasks reasonably related to the construction, work, and services required by the Agreement, whether completed or partially completed, and includes all other labor, materials, resources, equipment and services provided or to be provided by the Contractor to fulfill the Contractor’s obligations under Article 3. The Work may constitute the whole or a part of the Project and includes all supplies, skill, supervision, transportation services, and other facilities and things necessary, proper, or incidental to the carrying out and completion of the terms of the Agreement and all other items of cost or value needed to produce, construct, and fully complete the Scope of Work.

Technical terms not defined in the Agreement shall have the meanings given in AIA “Glossary of Construction Industry Terms” 1991 Edition. Technical terms not defined in the Glossary and used to describe items of Work and which so applied have a well known technical or trade meaning, shall be held to have such recognized meaning.

3. **Scope of Work:** Contractor agrees to perform the following Scope of Work for HCDE:  
**[ENTER DETAILED SCOPE OF WORK]**

3.1 Contractor stipulates and agrees that HCDE has no duty to discover any design errors or omissions in any drawings, plans, specifications, or other Construction Documents and has no duty to notify Contractor of same. By entering into any agreement with an Architect, HCDE does not warrant the adequacy or accuracy of any drawings, plans, specifications, or other Construction Documents.

4. **Contractor’s Representations and Warranties:** In addition to other representations and warranties contained in the Agreement, Contractor represents and warrants the following to HCDE:

- a) that Contractor shall perform all of the Work in a good and workmanlike manner and in accordance with the requirements of the Agreement and standard industry practices;
- b) that Contractor is financially solvent, able to pay its debts as they mature, and possessed of sufficient working capital to complete the Work and to perform its obligations under the Agreement;
- c) that Contractor is able to and will furnish all necessary and available resources, including the



- tools, materials, supplies, equipment, and labor required to timely complete the Work and to perform its obligations hereunder;
- d) that Contractor has, and acknowledges that HCDE is relying on Contractor's representation that it has, sufficient experience and competence to perform the Work ;
  - e) that Contractor is authorized to do business in the State of Texas and properly licensed by all necessary governmental, public, and quasi-public authorities having jurisdiction over Contractor, the Work, or the Project Site;
  - f) that the execution of the Agreement and Contractor's performance thereof are within Contractor's duly-authorized powers;
  - g) that the execution of the Agreement by Contractor is a representation that Contractor has visited the Project Site, become familiar with local conditions under which the Work is to be performed, and correlated personal observations with requirements of any Construction Documents. Contractor shall not be entitled to additional compensation for any additional work caused by its failure to carefully study or compare the Construction Documents prior to execution of the Work;
  - h) that materials and equipment furnished under the Agreement will be of good quality and new unless the Construction Documents require or permit otherwise. Contractor further warrants that the Work will conform to the requirements of the Agreement and will be free from defects, except for those inherent in the quality of the Work any Construction Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by HCDE or HCDE's consultants, including any Architect HCDE may retain for the Project, Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment;
  - i) that the services of any Subcontractors or any Sub-subcontractors will conform to the representations and warranties set out above; and
  - j) that Contractor will replace, repair, or re-perform Work at its sole expense until the Work meets the warranties set out above.

**5. Supervision and Construction Procedures:**

5.1 Contractor shall supervise and direct the Work, using Contractor's best skill and attention. Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Agreement, unless otherwise stated in the Agreement.

5.2 Contractor shall be responsible to HCDE for acts and omissions of Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, Contractor or any of its Subcontractors.

**6. Labor and Materials:**

6.1 Unless otherwise provided in the Agreement, Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

6.2 Contractor may make substitutions in the Work only with the consent of HCDE, after evaluation by HCDE and any consultant of HCDE and in accordance with a Change Order pursuant to Article

33.

**7. Contractor's Employees and Subcontractors:**

7.1 Contractor shall enforce strict discipline and good order among Contractor's employees and other persons carrying out the Work. Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

7.2 Contractor, Contractor's Subcontractors and Sub-subcontractors shall pay all workers not less than the general prevailing rate of the per diem wages for work of a similar character where the Project is located, as detailed in Exhibit A attached hereto and incorporated herein, and any applicable fringe benefits. The Project **[DOES / DOES NOT]** involve federal funds. Wages listed are minimum rates only. Contractor and all Subcontractors shall comply with all state and federal laws including, but not limited to, laws of labor, minimum wage, safety, and equal employment opportunity.

7.3 If applicable, Contractor shall comply with the criminal history provisions of Section 22.0834 of the Texas Education Code and Section 153.1117 of the Texas Administrative Code. The form of certification that Contractor has complied with the statutory requirements shall be supplied by HCDE upon request and must be supplemented by Contractor and any Subcontractors as required by law or as requested by HCDE.

**8. Construction by HCDE or by Separate Contractors:**

8.1 HCDE reserves the right to perform construction or operations related to the Project with HCDE's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the Project Site under terms and conditions of the Agreement identical or substantially similar to these, including those portions related to insurance and waiver of subrogation.

8.2 HCDE shall provide for coordination of the activities of HCDE's own forces and of each Separate Contractor with the Work of Contractor, who shall cooperate with them. Contractor shall participate with other Separate Contractors and HCDE in reviewing their construction schedules. Contractor shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by Contractor, Separate Contractors and HCDE until subsequently revised. Contractor shall reimburse HCDE for costs HCDE incurs that are payable to a Separate Contractor because of Contractor's delays, improperly timed activities, or defective construction.

9. **Clean-up:** Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Agreement. At completion of the Work, Contractor shall remove waste materials, rubbish, Contractor's tools, construction equipment, machinery and surplus materials from and about the Project. Upon completion of the Work, Contractor shall provide final clean-up of all surfaces, without limitation, including but not limited to cleaning all surfaces, removing any adhesives and stickers, removing all trash and debris, and the like. If Contractor fails to clean up as provided in the Agreement, HCDE may clean up and HCDE shall be entitled to reimbursement from Contractor.

10. **Access to the Work:** HCDE is not required to make any inspections to check the quality or quantity of the Work. However, Contractor shall provide HCDE and HCDE's consultants, including but not limited to any Architect retained by HCDE, access to the Work in preparation and progress wherever located. Neither the exercise of such access rights by HCDE, nor the failure on the part of HCDE to discover or reject non-

conforming Work shall be deemed an acceptance of such non-conforming Work or a waiver of any rights under the Agreement.

11. **Contract Sum:** In exchange for Contractor's complete performance of its obligations under the Agreement, HCDE shall pay to Contractor the total sum of **[ENTER TOTAL DOLLAR AMOUNT]** (the "Contract Sum"). The Contract Sum covers the cost to Contractor of all materials and equipment necessary for the Work and all required taxes, less applicable trade discounts, Contractor's reimbursable bond costs, and Contractor's costs for unloading and handling at the Project Site, labor, installation costs, overhead, profit and other expenses associated with the Work. The Contract Sum is the total amount payable by HCDE to Contractor for performance of the Work under the Agreement.

12. **Progress Payments and Contractor's Statements:**

12.1 HCDE's payment of the Contract Sum to Contractor shall be made no later than forty-five (45) days after final completion of the Work, upon presentation of Contractor's Statement by Contractor in an amount not to exceed the Contract Sum, unless subsequently amended by written agreement of the parties or Change Order, in accordance with Article 33. Final payment shall be conditioned upon Contractor's completion of all punchlist work, Contractor's submission of all required close-out documents, and HCDE's receipt of final lien releases from Contractor, its Subcontractors and suppliers, conditioned only upon receipt of final payment in the form required by Texas Property Code Chapter 53.

12.2 At HCDE's sole election, HCDE may make monthly progress payments to Contractor, within forty-five (45) days of HCDE's receipt of Contractor's Statement. Payment applications

Contractor will furnish HCDE an itemized statement of completed portions of the Work and request payment therefore ("Statement"). Such Statement shall be supported by such data substantiating Contractor's right to payment as HCDE may require, such as copies of requisitions from Subcontractors and material suppliers, and shall reflect retainage if provided for in the Agreement.

12.3 Contractor warrants that title to all Work covered by a Statement will pass to HCDE no later than the time of payment. Contractor further warrants that upon submittal of a Statement all Work submitted on a previous Statement and payments received from HCDE shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.

12.4 A progress payment, or partial or entire use or occupancy of the Project by HCDE shall not constitute acceptance of Work not in accordance with the Agreement.

13. **Retainage:** HCDE shall withhold from payment(s) to Contractor a retainage of five percent (5%). The retainage shall be paid to Contractor upon Final Completion of the Work. Completion of the Work shall be considered final upon written approval by HCDE's designated representative.

14. **Taxes:** Contractor shall pay sales, consumer, use and similar taxes for the Work provided by Contractor that are legally enacted when the Agreement is executed, whether or not yet effective or merely scheduled to go into effect.

HCDE is exempt from the Texas Sales Tax on any purchase, lease or rental of tangible personal

property and will issue Certificates of Exemption from the Texas State Sales Tax on materials furnished by Contractors on School Construction projects. Contractor shall abide by the sales tax exemption.

**15. Permits, Fees, Notices, and Compliance with Laws**

15.1 Unless otherwise provided in Agreement, Contractor shall secure and pay for any building permits as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Agreement and legally required at the time the Agreement is executed.

15.2 Contractor shall comply with, and takes full responsibility for complying with, safety rules, guidelines, standards, and requirements promulgated by the Occupational Safety and Health Administration (OSHA) applicable to the Project. Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

**16. Intellectual Property:** Contractor shall pay all royalties and license fees. Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold HCDE harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by Construction Documents, or where the copyright violations are contained in Construction Documents or other documents prepared by or for HCDE. However, if Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, Contractor shall be responsible for such loss unless such information is promptly furnished to HCDE.

**17. Construction Schedule:** Contractor has prepared and submitted a Contractor's construction schedule for the Work, attached hereto and incorporated herein as Exhibit B ("Construction Schedule"). The schedule shall be revised at appropriate intervals, in accordance with Article 33, as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Construction Documents, and shall provide for expeditious and practicable execution of the Work. Contractor shall perform the Work in general accordance with the Construction Schedule. Contractor shall submit to HCDE updated construction schedules as necessary to reflect appropriate schedule revisions and shall take whatever action is necessary and within its control to assure that the Project completion schedule is met.

**18. Professional Services:** Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Construction Documents for a portion of the Work or unless Contractor needs to provide such services in order to carry out Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. Contractor shall not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of Contractor by the Construction Documents, HCDE and HCDE's Architect, if any, will specify all performance and design criteria that such services must satisfy. Contractor shall cause such services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, and other documents prepared by such professional. HCDE shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications and approvals performed or provided by such design professionals, provided HCDE has specified to Contractor all performance and design criteria that such services must satisfy.

19. **Priority of Documents:** The Agreement shall prevail in case of an inconsistency among the Agreement, Job/RFP No. [ENTER], or Contractor's response to Job/RFP No. [ENTER]. Job/RFP No. [ENTER] shall prevail in case of an inconsistency with Contractor's response to Job/RFP No. [ENTER]. In the case of an inconsistency between the Agreement and Contractor's response to Job/RFP No. [ENTER] not clarified by a Valid Amendment, Contractor is deemed to have included the better quality or greater quantity of Work in the Contract Sum.

In the case of an inconsistency among the body of this Agreement (including Valid Amendments thereto), the accompanying Exhibits (including Valid Amendments thereto), and the Construction Documents (including Valid Amendments thereto), the provisions of the body of this Agreement shall control.

In the case of an inconsistency between the provisions of the Agreement and any Change Order not in accordance with Article 33, Contractor's work ticket, invoice, statement, purchase order, published rate schedule, or any other type of memoranda between HCDE and Contractor pertaining to the subject matter in the Agreement, the provisions of the Agreement (including Valid Amendments thereto) shall control.

Nothing in this Article prohibits Valid Amendments to be made in accordance with Article 33.

20. **HCDE's Right to Stop the Work and Right to Carry Out the Work:**

20.1 HCDE may temporarily stop the Work, at any time, for HCDE's convenience and without cause, for a period not to exceed two (2) weeks, upon three (3) days written notice to Contractor. The Work may be temporarily stopped for a period longer than two (2) weeks by a Valid Amendment in accordance with Article 33. If the Work is temporarily stopped at HCDE's request, the Contract Time shall be adjusted accordingly in accordance with Article 33.

20.2 If Contractor fails to correct Work that is not in accordance with the requirements of the Agreement or repeatedly fails to carry out Work in accordance with the Agreement, HCDE may issue a written order to Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of HCDE to stop the Work shall not give rise to a duty on the part of HCDE to exercise this right for the benefit of Contractor or any other person or entity, except as may otherwise be provided in the Agreement.

20.3 If Contractor defaults or neglects to carry out the Work in accordance with the Agreement and fails, within a ten-day period after receipt of written notice from HCDE, to commence and continue correction of such default or neglect with diligence and promptness, HCDE may, without prejudice to other remedies HCDE may have (including, but not limited to, termination of the Agreement), correct such deficiencies. In such case, an appropriate Change Order shall be issued, in accordance with Article 33, deducting from payments then or thereafter due Contractor the reasonable cost of correcting such deficiencies, including HCDE's expenses and compensation for additional services, if any, by HCDE's consultants, including but not limited to an Architect retained by HCDE, made necessary by such default, neglect or failure. If payments then or thereafter due Contractor are not sufficient to cover such amounts, Contractor shall pay the difference to HCDE.

21. **HCDE's Right to Occupy:** HCDE and Contractor agree that HCDE may occupy or use, without prejudice to the right of either Party, any completed or largely completed portions of the Project, notwithstanding the time for completing the entire Work or such portions may not have expired. Such beneficial occupancy and use shall not constitute Substantial Completion or HCDE's acceptance of any work

not in accordance with the Agreement.

22. **Date of Commencement:** The date of commencement of the Work is **[ENTER]** Contractor shall not knowingly, except by agreement or instruction of HCDE in writing in accordance with Article 33, prematurely commence operations on the Project Site or elsewhere prior to the effective date of insurance required by Article 26 to be furnished by Contractor. The date of commencement of the Work shall not be changed by the effective date of such insurance.

23. **Date of Substantial Completion: [ENTER]. The Date of Final Completion is thirty (30) days after Substantial Completion.**

23.1 Time limits stated in the Agreement are of the essence of the Agreement. By executing the Agreement, the Contractor confirms that the Contract Time is a reasonable period for performing the Work. Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion and Final Completion within the Contract Time.

23.2 HCDE and Contractor agree that Contractor's failure to meet the deadlines established in the Agreement will cause damage to HCDE, but such damage is difficult to establish. It is therefore expressly agreed, as a part of the consideration inducing HCDE to execute the Agreement, that Contractor's failure to achieve Substantial Completion and Final Completion by the agreed dates shall result in liquidated damages in the amount of \$**[ENTER]** per day for each and every day after the date of which Substantial Completion and Final Completion are to occur until Substantial Completion and Final Completion are achieved. Contractor agrees that HCDE may deduct liquidated damages from the final payment made to Contractor or from any compensation otherwise to be paid to Contractor. It is expressly understood that payment of liquidated damages in the amount of \$**[ENTER]** per day is agreed upon as a fair estimate of the pecuniary damages which will be sustained by HCDE in the event that the Work is not substantially completed or finally completed within the agreed times, or within the legally extended times, if any, otherwise provided herein. Said sum shall be considered as liquidated damages only and in no sense shall be considered a penalty, said damage being caused by additional compensation to personnel, for loss of interest on money and other miscellaneous increased costs, all of which are difficult of exact ascertainment.

23.3 When Contractor considers that the Work, or a portion thereof, which HCDE agrees to accept separately, is substantially complete, Contractor shall prepare and submit to HCDE a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of Contractor to complete all Work in accordance with the Agreement.

23.4 When Contractor considers that the Work is Finally Complete, Contractor shall prepare and submit to HCDE written notice that the Contractor finds the Work to be Finally Complete. Completion of the Work shall be considered final only upon written approval of Final Completion and acceptance of the Work by HCDE's designated representative. Final payment of the Contract Sum, constituting the unpaid balance of the Contract Sum, shall not be paid until the Work has been finally completed and accepted by HCDE's designated representative, in writing. Final payment shall be paid by HCDE to Contractor within thirty (30) days of HCDE's approval of Final Completion and acceptance of the Work.

23.5 If HCDE disputes a portion of any payment due to Contractor under the Agreement, HCDE may withhold any such disputed amounts, without interest, for a period of forty-five (45) days after such payment would otherwise have been due to Contractor, as long as HCDE makes a reasonable attempt to resolve the dispute with Contractor. If, after such forty-five (45) day withholding period, HCDE continues to dispute

any portion of the payment, HCDE may continue to withhold any such disputed amount until the dispute is resolved, except that, if HCDE is found to have wrongfully withheld such disputed amount, Contractor shall be entitled to interest on the wrongfully withheld amount from the original date that payment of such amount was due to Contractor until the date HCDE pays such amount to Contractor in full. The interest rate under this section may not exceed the Judgment Rate published by the Office of Consumer Credit Commissioner.

23.6 If, within one year after the date of Final Completion of the Work, any of the Work is found to be not in accordance with the requirements of the Agreement, Contractor shall correct it, at Contractor's sole cost and expense, promptly after receipt of written notice from HCDE to do so. HCDE shall give such notice promptly after discovery of the condition. If Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from HCDE, HCDE may correct it in accordance with Article 20. Nothing contained in this Article 23.6 shall be construed to establish a period of limitation with respect to other obligations Contractor has under the Agreement. Establishment of the one-year period for correction of Work as described herein relates only to the specific obligation of Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Agreement may be sought to be enforced, nor to the time within which proceedings may be commenced to establish Contractor's liability with respect to Contractor's obligations other than specifically to correct the Work.

24. **HCDE's Right to Terminate:** The Agreement may be terminated by HCDE, with or without cause, upon written notice to Contractor. On the effective date of termination, as stated by HCDE, Contractor shall immediately cease Work after taking all actions necessary or as directed by HCDE for protection and preservation of the Work already performed. Contractor shall be entitled to payment for all Work performed up to the effective date of termination.

25. **Payment and Performance Bonds:** Contractor shall furnish (1) a Statutory Performance Bond for contract amounts over \$100,000.00 in an amount equal to One Hundred Percent (100%) of the Contract Sum as security for the faithful performance of the Agreement and (2) a Statutory Labor and Material Payment Bond for contract amounts over \$25,000.00 in an amount not less than One Hundred Percent (100%) of the Contract Sum as security for the payment of all persons performing labor on the project under the Agreement and furnishing materials in connection with the Agreement. The Performance Bond and the Labor and Material Payment Bond may be in one or in separate instruments in accordance with local law and shall be delivered to HCDE not later than the date of execution of the Agreement. Contractor shall require the attorney-in-fact who executes the required bonds on behalf of the surety to affix thereto a certified and current copy of the power of attorney. The bonds shall be executed by a corporate surety in accordance with Texas Insurance Code 7.19-1.

26. **Insurance:**

26.1 At its sole cost and expense, Contractor shall purchase from and maintain, in a company or companies with not less than an "A" rating and meeting the minimum qualifications outlined in Texas Insurance Code § 3503.001 for insurance companies insuring work related to public entities, lawfully authorized to do business in the jurisdiction in which the Project is located, such coverage in the following limits, on an occurrence basis, with HCDE named as an additional insured, as follows:

- a) Builders' risk insurance in Contractor's and HCDE's names against loss or damage by fire or storm on the entire Work, including structures as well as materials and equipment adjacent thereto intended for use on the Project, in the amount of one hundred percent (100%) of the value;
- b) Workers' Compensation (with Waiver of subrogation to HCDE) Employer's Liability, including all states, U.S. Longshoremen, Harbor Workers and other endorsements, based on proper

reporting of classification codes and payroll amounts and filing of any coverage agreements, as required by statute and which meets the statutory requirements of Texas Labor Code Section 401.011(44) for all employees of Contractor providing services on the Project, for the duration of the Project Contractor shall comply with the requirements of Rule 28, TAC Section 110.110, Reporting Requirements for Building or Construction Projects for Governmental Entities.

- c) Public liability in limits of not less than \$1,000,000;
- d) Property damage in limits of not less than \$1,000,000;
- e) Statutory and Bodily Injury by Accident: \$100,000 each employee. Bodily Injury by Disease: \$500,000 policy limit \$100,000 each employee;
- f) Commercial General Liability Occurrence Form including, but not limited to, Premises and Operations, Products Liability Broad Form Property Damage, Contractual Liability, Personal and Advertising Injury Liability and where the exposure exists, coverage for watercraft, blasting collapse, and explosions, blowout, catering and underground damage.
  - \$300,000 each occurrence Limit Bodily Injury and Property Damage combined
  - \$300,000 Products-Completed Operations Aggregate Limit \$500,000 per Job Aggregate
  - \$300,000 Personal and Advertising Injury Limit
  - Bodily Injury liability of not less than \$1,000,000
- g) Automobile Liability Coverage
  - \$300,000 Combined Liability Limits Bodily Injury and Property Damage Combined

26.2 All policies of insurance required of Contractor herein shall waive all rights of subrogation against HCDE, its officers, employees, and agents. All policies of insurance, including any renewals thereof, must specify that such coverage will not be canceled or materially changed without a minimum of thirty (30) days prior written notice to HCDE. HCDE shall be named as an “additional insured” on all insurance policies. Contractor shall furnish certified copies of original insurance policies to HCDE before any Work is started by Contractor.

26.3 The insurance requirements stated herein do not establish limits of Contractor’s liability and are separate from and independent of any indemnification obligation of Contractor. HCDE reserves the right to require additional insurance from Contractor as HCDE deems necessary. Contractor shall also require that its Subcontractors provide evidence of insurance of the same types and amounts as Contractor herein, prior to conducting any Work on the Project.

26.4 HCDE and Contractor hereby mutually release each other (and their successors, assigns, subcontractors, agents, and employees) from liability and waive all right of recovery against the other for any loss or damage covered by their respective first party property insurance policies for all perils insured thereunder. In the event of such insured loss, neither Party’s insurance company shall have a subrogated claim against the other.

26.5 If Contractor fails to obtain or maintain any of the required insurance coverage, HCDE may obtain and maintain such insurance, and Contractor shall reimburse HCDE for the actual cost of such insurance within thirty (30) days after receipt of HCDE’s invoice or HCDE may offset such amount against any payment due Contractor.

27. **Relationship of Parties:** Contractor is engaged under the Agreement as an independent contractor and not as an agent or employee of HCDE. Contractor is not entitled to benefits of any kind to which HCDE’s employees are entitled, including but not limited to unemployment compensation, workers compensation,



health insurance or retirement benefits. Contractor assumes full responsibility for payment of all federal, state and local taxes or contributions, including but not limited to, unemployment insurance, social security, Medicare and income taxes with respect to Contractor and Contractor's employees. The Agreement shall not be construed to create or imply any partnership or joint venture between the Parties hereto, nor shall it be construed or deemed an endorsement of a specific company or product. The Agreement does not authorize either Party to serve as the legal representative or agent of the other. Neither Party has any right or authority to assume, create, or incur any liability or any obligation of any kind, express or implied, against or in the name of or on behalf of the other Party.

28. **Indemnity:** CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD HCDE, HCDE'S CONSULTANTS, AGENTS, AND EMPLOYEES HARMLESS FROM ANY AND ALL LOSS, EXPENSE, COST OR LIABILITY (INCLUDING REASONABLE ATTORNEY'S FEES AND EXPENSES), ARISING FROM ANY CLAIM OR CAUSE OF ACTION FOR ANY LOSS OR DAMAGE CAUSED BY OR ARISING FROM CONTRACTOR'S ACTS OR OMISSIONS.

29. **Notices:** All notices, consents, and requests ("Notices") provided to be given under the Agreement shall be given by hand-delivery, certified mail or registered mail, addressed to the proper Party, at the addresses indicated at the bottom of the Agreement. Notices shall be deemed to have been duly served if delivered in person to the designated representative of the Party; or if delivered at, or sent by registered or certified mail or by courier service providing proof of delivery to, the address of the Party as listed below. Notices are effective upon receipt. Each Party may change the address at which Notices may be sent to that Party by giving advance written notice of such change to the other Party by certified mail, return receipt requested.

30. **Compliance With Laws:** Contractor agrees that it will, in its performance of its obligations hereunder, fully comply with all applicable laws, regulations and ordinances of all relevant authorities, including but not limited to those pertaining to safety, and shall maintain any and all applicable licenses, certifications, registrations or other approvals required to fully perform its obligations hereunder. Contractor represents and warrants that all improvements made to the property shall comply with the Americans with Disabilities Act and all other applicable codes, regulations and laws.

31. **No Waiver:** No action or failure to act by HCDE or Contractor shall constitute a waiver of a right or duty afforded either Party under the Agreement, including, but not limited to, the requirements of Article 33, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing, signed by both Parties. The waiver by any Party of any right, obligation, or breach of the Agreement shall not be construed as a waiver of any other or subsequent right, obligation, or breach.

32. **No Third Party Beneficiaries:** The Agreement Documents, or any term or provisions thereof or any inclusion by reference, shall not be construed as being for the benefit of any party not in signatory thereto. No person, other than the Parties, is entitled to rely on any representation, warranty, covenant, or agreement contained herein.

33. **Amendment:** The Agreement may not be supplemented, amended, changed, or otherwise modified, except by a Valid Amendment, which requires an instrument in writing, to be attached to and incorporated in the Agreement in the form of either (1) a formal written amendment to the Agreement Documents signed and delivered by duly authorized representatives of both Parties hereto, or (2) a Change Order, issued by HCDE or its authorized representative, as provided in this section. The Agreement may not be supplemented, amended,

changed, or otherwise modified by conduct of either Party, custom, usage of trade, or course of dealing.

33.1 **Change Orders:** If HCDE desires to increase the Scope of Work, the Parties will execute a written Change Order, signed by duly authorized representatives of both Parties hereto, increasing the Scope of Work and adjusting the Contract Sum and/or the Contract Time as mutually agreed by the Parties. In the event that HCDE desires to reduce the Scope of Work, HCDE may unilaterally issue a Change Order, signed by a duly authorized representative of HCDE only, reducing the Scope of Work and adjusting the Contract Sum and/or the Contract Time. If HCDE issues a Change Order reducing the Scope of Work, Contractor is entitled to payment for the portion of the deleted Work actually performed, if any, prior to the effective date of the Change Order. The Parties agree that in no event shall the action or failure to act by HCDE or Contractor constitute a waiver of requirements of this section, except as provided by Article 31.

In accordance with Texas Local Government Code § 271.060, the original Contract Sum may not be increased by more than twenty-five percent (25%). The original Contract Sum may not be decreased by more than twenty-five percent (25%) without the consent of Contractor.

34. **Attorney's Fees:** In the event either Party breaches any of the terms of the Agreement Documents whereby the Party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting Party agrees to pay the reasonable attorney's fees and expenses incurred by the non-defaulting Party, in addition to any other relief to which the non-defaulting Party may be entitled under the Agreement. This provision shall be construed as applicable to the entire Agreement.

35. **Entire Agreement:** The Agreement Documents shall constitute the complete and exclusive written expression of the intentions of the Parties hereto with respect to the Project and shall supersede all previous communications, representations, agreements, promises or statements, either oral or written, by and between either Party with respect to the Project. In the event of a conflict between this Agreement and the RFP or Contractor's proposal submitted in response to the RFP, this Agreement shall control. The Agreement Documents supersede any conflicting terms and conditions on any purchase or work orders, invoices, checks, order acknowledgements, forms, purchase orders, or similar commercial documents relating hereto and which may be issued by Contractor after the Effective Date of this Agreement.

No supplements, retractions, amendments, modifications, or changes to the Agreement shall be valid unless they are Valid Amendments in accordance with Article 33. Any Valid Amendments to the Agreement must be in writing and signed by the required Party(ies) in accordance with Article 33. The Parties expressly agree that the Agreement shall not be construed against either Party.

36. **Governing Law and Venue:** The Agreement shall be governed by the law of the State of Texas, without regard to any provisions on conflicts of law. Venue for all legal proceedings related to the Agreement or the obligations thereunder shall be in Houston, Harris County, Texas, and the Parties hereby submit to the exclusive jurisdiction of the state and federal courts in Houston, Harris County, Texas.

37. **Severability:** In the event that any one or more of the provisions contained in the Agreement 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 of the Agreement, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

38. **Survival of Provisions:** All representations, warranties, covenants, indemnities, and other continuing

obligations as expressly provided in the Agreement shall survive the expiration or earlier termination of the Agreement.

39. **Force Majeure:** Neither Party to the Agreement shall be liable for any failure to perform the terms of the Agreement when such failure is due to Force Majeure as defined in this Article. The term “Force Majeure” as used in the Agreement shall mean any delay or default in performance hereunder due to causes beyond the control of the Parties and without their fault or negligence that could not have been prevented or avoided by the affected Party through the exercise of due diligence, including, but not limited to” acts of God or the public; civil disturbances, arrests or restraints by rulers and people, acts, requests or interruptions of the federal, tribal, state, or local government or any agency thereof, or of any federal, tribal, state, or local officer purporting to act under duly constituted authority, court orders, present and future valid orders of any governmental entity, or any officer, agency or any instrumentality thereof, floods, wildfires, acts of the public enemy (including terrorists), wars, strikes, lockouts, or industrial disturbances, interruption of transportation, freight embargoes or failures, exhaustion or unavailability of equipment or services necessary to the performance of any provision herein due to allocations promulgated by authorized governmental entities , riots, rebellions, blockade, insurrection, sabotage, epidemics, invasions, landslides, earthquakes, quarantine, restrictions, breakage or accident to machinery or lines of pipe due to intervention of third party causes (not arising from the performance of the Work). Force majeure shall not include rainout or ordinary weather days that require Work stoppage, and in no event shall include routine scheduled equipment maintenance or breakage.

40. **Exhibits:** The following Exhibits (including Valid Amendments thereto) are attached hereto, as Agreement Documents, and fully incorporated herein by reference:

- a) Exhibit A: Prevailing Wage Rates
- b) Exhibit B: Construction Schedule

IN WITNESS WHEREOF the undersigned Parties hereto execute the Agreement as of this day and year indicated below.

HCDE: Harris County Department of Education  
6300 Irvington Boulevard  
Houston, Texas 77022

\_\_\_\_\_  
Dr. Jesus Amezcua  
Assistant Superintendent – Business Services  
Date: \_\_\_\_\_

CONTRACTOR: **[ENTER NAME]**  
**[ENTER CONTRACTOR’S ADDRESS]**

\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## **EXHIBIT A to Contractor Agreement PREVAILING WAGE RATES**

All Contractors and Subcontractors shall comply with all applicable laws regarding prevailing wage rates including, but not limited to, Texas Government Code Chapter 2258 and any related federal requirements applicable to this procurement by HCDE, including the Davis-Bacon Act. **All Contractors and Subcontractors shall comply with all state and federal laws including, but not limited to, laws of labor, minimum wage, safety, and equal employment opportunity. All Contractors and Subcontractors must pay not less than the general prevailing wage rate as listed herein plus any applicable fringe benefits.**

The prevailing wage rates listed are to be considered the minimum to be paid, and the listing of prevailing wage rates shall not be construed to prohibit the payment of rates higher than those listed. The Contractor and Subcontractor(s) shall maintain an adequate workforce whether wage rates higher than those listed are required or not. HCDE will not consider claims for additional compensation because of payments of wage rates in excess of the applicable rates listed herein.

Chapter 2258 of the Texas Government Code applies to the construction of a public work, including a building, highway, road, excavation, and repair work or other project development or improvement, paid for in whole or in part from public funds, without regard to whether the work is done under public supervision or direction. Section 2258.021 mandates that a worker employed on a public work other than maintenance work be paid not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the work is performed and not less than the general prevailing wage rate of per diem wages for legal holiday and overtime work. A worker is employed on a public work if the worker is employed by a contractor or subcontractor in the execution of a contract for the public work with HCDE.

**For projects involving federal funds**, HCDE has adopted the prevailing wage rate as determined by the U.S. Department of Labor in accordance with the Davis-Bacon Act (40 U.S.C. § 276a et seq) and its subsequent amendments, as the prevailing rate of per diem wages in HCDE for each craft or type of worker needed to execute a public works contract and also for legal holiday and overtime work involving federal funds. See HCDE Policy CV (Local). The current U.S. Department of Labor wage determination rates for Texas may be accessed on the Internet at <http://www.access.gpo.gov/davisbacon/>. Click on Browse all Determinations by State and then click on Texas. Then locate Harris County. Click under the Building column for Harris County to access the rates for all trades.

**For projects not involving federal funds**, HCDE has adopted the prevailing wage rate as determined by Harris County, Texas as the prevailing rate of per diem wages in HCDE for each craft or type of worker needed to execute a public works contract and also for legal holiday and overtime work not involving federal funds. See HCDE Policy CV (Local). The current wage determination rates for Harris County, Texas may be accessed on the Internet at <http://www.eng.hctx.net/wage>. Click on Prevailing Wage Rate Building Construction to access the rates for all trades.

Prevailing Wage Rates: Base per Diem rate shall be taken as the hours worked per day times the Base Hourly Rate.  
Overtime Rates: Over 40 hours per week and holidays at base hourly rate times 1.5.

Section 2258.023 of the Texas Government Code, entitled "PREVAILING WAGE RATES TO BE PAID BY CONTRACTOR AND SUBCONTRACTOR; PENALTY," states, in pertinent part:

- (a) The contractor who is awarded a contract by a public body or a subcontractor of the contractor shall pay not less than the rates determined under Section 2258.022 to a worker employed by it in the execution of the contract.
- (b) A contractor or subcontractor who violates this section shall pay to the state or a political subdivision of the state on whose behalf the contract is made, \$60 for each worker employed for each calendar day or part of the day that the worker is paid less than the wage rates stipulated in the contract. A public body awarding a contract shall specify this penalty in the contract.
- (d) The public body shall use any money collected under this section to offset the costs incurred in the administration of this chapter.

**Contractor certifies that it is in compliance with all applicable standards, orders and/or regulations issued pursuant to the programs subject to the Davis-Bacon Act (40 U.S.C. 276a et seq.), the Regulations of the Department of Labor, 29 CFR part 5, and Texas Government Code Chapter 2258.**

**EXHIBIT B to Contractor Agreement  
CONSTRUCTION SCHEDULE**

1. Begin Construction: **[ENTER]**
2. Substantial Completion: **[ENTER]**
3. Final Completion: **[ENTER]**

The Construction Schedule above includes an allowance of Anticipated Weather Days, which are regular working days, in accordance with the following schedule:

January	3	July	4
February	4	August	4
March	4	September	4
April	2	October	3
May	5	November	5
June	6	December	4

Weather Days shall pertain to such items as rain, flooding, snow, unusually high winds, excessively wet grounds, or the like which prevent progress on items which affect the critical path of the Work on regular working days only. If such situations occur on more than the number of Anticipated Weather Days included in the Bid Completion Time and if those additional days prevent the Contractor from performing the critical path of the scheduled Work, a change to the Contract Time may be done in accordance with Article 33 in the Agreement; if the inclement weather is rain-related, the rain at the Project Site must have been in excess of .50 (1/2) inch in 24 hours.

## Master Job Order Contract

This Master Job Order Contract ("Contract") is made by and between Harris County Department of Education ("Owner"), a political subdivision of the state of Texas, whose main office address is 6300 Irvington Boulevard, Houston, Texas 77022, and \_\_\_\_\_ ("Contractor"), whose main office address is \_\_\_\_\_ for Job Order Contracting Services, effective as of \_\_\_\_\_ (date).

### RECITALS

Whereas, Owner is in need of job order contracting services; and

Whereas, this Contract is for the provision of job order contracting services, to be performed on a non-exclusive, indefinite quantity basis, as requested by Owner, in accordance with the terms of this Contract;

Whereas, Contractor has been procured as a Job Order Contractor vendor under Harris County Department of Education ("HCDE") Choice Partners Contract # \_\_\_\_\_, and is available to Owner through the Choice Partners purchasing cooperative as permitted by Subchapter I, Chapter 2269 of the Texas Government Code; and

Whereas, Contractor represents that he has the knowledge, ability, skills and resources to provide such job order contracting services in accordance with the terms and requirements of this Contract.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained in this Contract, the receipt and sufficiency of which are hereby acknowledged, Owner and Contractor, intending to be legally bound, hereby agree as follows:

### I. DEFINITIONS

1.1 The term "**Owner**" means the Harris County Department of Education and includes Owner's duly authorized representative, including any person specifically authorized to act for Owner by executing the Contract and any modification thereto. Owner's duties include administration of the Contract, including the issuance of Job Order(s) and modifications and assessing progress; inspecting and periodically reporting on such performance and progress during the stated period of performance, and finally certifying as to the acceptance of the Work in its entirety or any portion thereof, as required by the Contract.

1.2 The term "**Contractor**" means \_\_\_\_\_ and includes Contractor's senior manager or its duly authorized representative, including any person specifically authorized to act for Contractor by executing the Contract and any modifications thereto. Contractor's duties include administration of the Contract and performance of the Work.

1.3 The term "**Contract**" as used herein means the documents that form the agreement between Owner and Contractor. The Contract consists of this agreement, including its exhibits and any modifications thereto, any Job Order(s) that may be issued, Choice Partners Contract # \_\_\_\_\_, and Contractor's proposal submitted in response to the solicitation issued by HCDE/Choice Partners for Choice Partners Contract # \_\_\_\_\_, which are fully incorporated herein for any and all purposes.

1.4 The term "**Subcontract**" as used herein means any agreement, including purchase orders (other than one involving an employer-employee relationship) entered into by Contractor calling for equipment, supplies or services required for Contract performance, including any modifications thereto.

1.5 The term "**job order contracting**" means maintenance, repair, alteration, renovation, remediation or minor construction of a facility when the work is of a recurring nature but the delivery times, type, and quantities of the work required are indefinite.

1.6 The term "**Job Order**" means a specific written agreement between the Owner and the Contractor for Work to be performed under this Contract, in the form of Attachment A hereto.

1.7 The term "**Unit Price Guide**" means the unit price book specified by HCDE/Choice Partners in the procurement of Choice Partners Contract #\_\_\_\_\_.

1.8 The term "**Coefficient Multiplier**" means the numerical factor required to be applied pursuant to Contractor's award under Choice Partners Contract #\_\_\_\_\_ which is applied to the Unit Price Guide unit prices to cover all of Contractor's costs in performing the Work of a Job Order.

1.9 The term "**Non-Pre-priced items**" means the necessary, but incidental, parts of a Job Order that are not susceptible to unit pricing using the pre-priced tasks in the Unit Price Guide.

1.10 The term "**Work**" means the doing of all things described in, reasonably related to, and necessary, proper, or incidental to the work and services required by this Contract and/or a Job Order, whether in whole or in part, and includes all labor, materials, tools, resources, supplies, equipment, permits, insurance, transportation, supervision, management, operations, and performance of all tasks provided or to be provided by Contractor to fulfill Contractor's obligations under this Contract, including any specific project requirements defined and further described in any Job Order.

1.11 The term "**pre-priced item**" means pre-described and pre-priced tasks based on a unit price guide and coefficient multiplier.

## II. TERM OF AGREEMENT

2.1 **Term:** The initial term of this Contract is one (1) years and shall be effective \_\_\_\_\_(date) through \_\_\_\_\_(date). Owner may exercise renewal options for up to four additional one-year terms, in Owner's sole discretion, provided that Contractor is still an eligible vendor under the Choice Partners purchasing cooperative. Job Orders may be issued at any time during the term of this Contract. This Contract will remain in full force and effect during the performance of any Job Order issued by Owner.

2.2 **Completion of Work in Progress:** Owner has the option to extend the term of this Contract, or any renewal period, as necessary for Contractor to complete work on any Job Order approved by Owner prior to the expiration of the Contract.

## III. AUTHORIZED CONTRACT SUM

3.1 **Contract Sum:** The maximum aggregate contract expenditures for the initial one (1) year term is \_\_\_\_\_. The cost of each specifically authorized Job Order will be established in a "Job Order" issued by Owner and executed by Owner and Contractor. Established cost amounts shall not be increased except by written change order to a previously issued Job Order executed by Owner and Contractor. As required by Texas Government Code Section 2269.403, the Owner's Board of Trustees must approve any Job Order that exceeds \$500,000. The Owner's Board of Trustees may be required to authorize Job Orders for lesser amounts as required by local Board policy.

3.2 **No Minimum Amount of Work:** It is expressly understood that Owner is under no obligation to request any services from Contractor and no minimum amount of work is required under this Contract. All service requests will be made by Owner on an as-needed basis, subject to future agreement on the scope of the work and its cost(s), detailed in a specific Job Order.

## IV. SPECIFICATIONS AND DRAWINGS

4.1 **Retention of Drawings:** Contractor shall keep on the Work site a copy of any drawings and/or

specifications for a Job Order and shall at all times give Owner access thereto. Anything mentioned in the specifications and not shown on the drawings, or shown on the drawings and not mentioned in the specifications, shall be of like effect as if shown or mentioned in both. In case of differences between drawings and specifications, the drawings shall govern. In case of discrepancy, either in the figures, drawings, or the specifications, the matter shall be promptly submitted to Owner, who shall promptly make a determination in writing regarding such discrepancy. Any adjustment by Contractor without such prior written determination shall be at Contractor's own risk and expense and without any liability to Owner for any adjustment made by Contractor. Owner shall furnish from time to time such detailed drawings and other information as considered necessary, unless otherwise provided.

**4.2 Shop Drawings:** Shop drawings means drawings submitted to Owner by Contractor showing in detail:

- a. the proposed fabrication and assembly of structural elements;
- b. the installation (i.e., form, fit and attachment details) of materials or equipment; and
- c. the construction and detailing of elements of the Work.

Shop drawings include sketches, diagrams, layouts, schematics, descriptive literature, illustrations, schedules, performance and test data, and similar materials furnished by Contractor to explain specific portions of the Work. Owner may duplicate, use, and disclose in any manner and for any purpose shop drawings delivered under the Contract.

**4.3** Contractor shall coordinate all shop drawings, and review them for accuracy, completeness, and compliance with Contract and Job Order requirements and shall indicate its approval thereon as evidence of such coordination and review. Owner will indicate its approval or disapproval of the shop drawings in writing and if not approved as submitted shall indicate Owner's reasons therefore. Any work done before such prior written approval by Owner shall be at Contractor's own risk and without any liability whatsoever to Owner.

**4.3** Contractor shall submit to Owner for approval in writing an appropriate number of copies of all shop drawings. Sets of all shop drawings will be retained by Owner and one set will be returned to Contractor.

**4.4** "As-built" Drawings and Shop Manuals: Contractor is required to submit two complete sets of "as-built" drawings to Contractor within 30 days after project acceptance. "As builds" shall be submitted on paper as well as electronically. Contractor must also submit three copies of shop manuals at that time if equipment has been installed as part of the Job Order.

**4.5** Omissions from the drawings or specifications or the incorrect description of details of work which are manifestly necessary to carry out the intent of the drawings and specifications shall not relieve Contractor from performing such omitted or incorrectly described details of the Work.

**4.6** Contractor shall check all of Owner's furnished drawings immediately upon receipt and shall promptly notify Owner of any discrepancies. Figures marked on drawings shall be followed in preference to scale measurements. Large scale drawings shall govern small scale drawings. Contractor shall compare all drawings and verify the figures before laying out the Work and will be responsible for any errors which might have been avoided thereby.

## **V. USE OF SPECIFICATIONS, DRAWINGS AND NOTES**

**5.1** All drawings (to include as-built drawings), sketches, designs, design data, specifications, note books, technical and scientific data provided to Contractor or developed by Contractor pursuant to the



Contract and all photographs, negatives, reports, findings, recommendations, data and memoranda of every description relating thereto, as well as all copies of the foregoing relating to the Work or any part thereof, shall be the property of Owner and may be used by Owner without any claim by Contractor for additional compensation, unless such material developed by Contractor does not result in an issued Job Order. In such cases, Contractor will receive reasonable reimbursement for the development of such materials before Owner uses them in any manner whatsoever. If Owner chooses not to use such materials and no Job Order was issued, Contractor shall not be entitled to any compensation by Owner for any expenses incurred by Contractor for the preparation or development of any of said materials, which includes any and all general overhead costs for preparation of the materials.

## **VI. MATERIAL AND WORKMANSHIP**

6.1 All equipment, material, and articles incorporated in the Work covered by this Contract shall be new and of the most suitable grade for the purpose intended, unless otherwise specifically provided in the Job Order. References in the Job Order and/or its specifications to equipment, material, article, or patented process by trade name, make, or catalog number, shall be regarded as establishing a standard of quality and shall not be construed as limiting competition.

6.2 Contractor shall obtain Owner's prior written approval of the machinery and mechanical and other equipment to be incorporated into the Work. When requesting approval, Contractor shall furnish to Owner in writing the name of the manufacturer, the model number, and other information concerning the performance, capacity, nature, and rating of the machinery and mechanical and other equipment. When required by the Contract or by Owner, Contractor shall also obtain Owner's written approval of the material or articles which Contractor contemplates incorporating into the Work. When requesting approval, Job Order Contractor shall provide full information concerning the material or articles. Machinery, equipment, material and articles that do not have the required prior approval by Owner shall be installed or used at the Contractor's risk of subsequent rejection and Owner shall not be liable for any costs incurred by Contractor for said Machinery, equipment, material, articles.

## **VII. CONTRACTOR'S GENERAL RESPONSIBILITIES**

7.1 **In General:** Contractor agrees to provide general and specific job order contracting services on a per-project basis as requested by Owner in accordance with the terms of this Contract. Contractor shall furnish all of the materials and perform all of the Work described in a Job Order. Contractor shall do everything required by this Contract, the Job Order and any other requirements incorporated into this agreement or a specific Job Order by reference.

7.2 **Project Manager:** Contractor shall manage and provide all labor and material necessary and reasonably inferable for the complete performance of the Work on any project and/or Job Order authorized pursuant to this Contract.

7.3 **Standard of Care:** Contractor agrees to use commercially reasonable best efforts, skill, judgment, and abilities to perform the Work detailed in the Job Order in an expeditious and timely manner. Contractor shall at all times provide a sufficient number of qualified, skilled personnel, who shall be supervised by Contractor, to accomplish the Work within the time limits set forth in the Job Order. Contractor shall also be responsible for all damages to persons or property that occur as a result of Contractor's fault or negligence, and shall take proper safety and health precautions to protect the Work, the workers, the public, and the property of others. All Work under the Contract shall be performed in a skillful and workmanlike manner. Contractor and all subcontractors shall maintain all required licenses, certifications, permits, and any other documentation necessary to perform this Contract and all Work detailed in a Job Order. Unless otherwise specified in a Job Order, Contractor shall be responsible for any required testing of materials prior to incorporation into the Work.

7.4 **Compliance with Laws:** Contractor shall comply with all applicable federal, state, and local laws, regulations, codes, ordinances, orders and with those of any other body having jurisdiction over the project detailed in the Job Order. Contractor shall comply with all state and local building code

requirements unless otherwise specifically detailed in the Job Order. Contractor is required to adhere to all applicable local, state, and national design codes and requirements as well as Owner's construction design standards.

7.5 **Existing Conditions:** Contractor shall use commercially reasonable best efforts to verify the accuracy and suitability of any drawings, plans, sketches, instructions, information, requirements, procedures, requests for action, and other data supplied to Contractor by Owner, or any other party, that Contractor uses for the Job Order.

7.6 **Correction of Work:** Contractor shall promptly correct any known or discovered error, omission, or other defect in the Work without any additional cost or expense to Owner.

7.7 **Phasing:** Contractor shall not proceed beyond any previously authorized phase of the Work for a project unless authorized by Owner in writing, except at the Contractor's own financial risk. Applicable phases of the scope of work shall be identified in the Job Order Proposal.

7.8 **Representative:** Contractor shall designate a representative primarily responsible for the Work under this Contract and a specific Job Order. The designated representative shall act on behalf of Contractor with respect to all phases of the Work and shall be available as required for the benefit of any Job Order and Owner. The designated representative shall not be changed without prior written approval of Owner, which approval shall not be unreasonably withheld.

7.9 **Documentation:** Contractor shall fully document its project activities, in drawings, reports or other methods as appropriate to the scope of work and as identified in the Job Order Proposal and/or Job Order. Unless otherwise stated in the Job Order or provided by Owner, Contractor shall bear the cost of providing all plans, specifications and other documents used by Contractor and its consultants. **Owner will reimburse Contractor for the actual, documented costs of construction permits required for the performance of the Work as specified in the Job Order.** Unless otherwise stated in the Job Order, Contractor shall secure and pay for all governmental fees, licenses, and inspections necessary for the proper execution and completion of the Work.

7.10 Contractor shall be responsible for compliance with all safety rules and regulations of the Federal Occupational Safety and Health Act of 1970 (OSHA), all applicable state and local laws, ordinances, and regulations during the performance of the Work. Contractor shall indemnify Owner for fines, penalties, and corrective measures that result from the acts of commission or omission of Contractor, its subcontractors, if any, agents, employees, and assigns and its failure to comply with such safety rules and regulations.

## VIII. JOB ORDER PROCEDURES

### 8.1 Job Order Procedures

- a. At Owner's discretion, Owner will submit a Job Order Proposal Request to Contractor for the individual project(s). This request will include, at a minimum, the following: project number, project title, name of Owner's project manager, Owner's customer point of contact, location, the project architect and/or engineer, if any, and a general description of the project. If a Job Order requires architectural or engineering services that constitute the practice of architecture or engineering within the meanings of the Texas Occupations Code, Owner shall select or designate an architect or engineer to prepare the construction documents for the project.
- b. Upon receipt of the Job Order Proposal Request, Contractor shall promptly schedule a site visit with the Owner's project manager. The site visit will be conducted at a mutually agreed upon time, normally not later than three (3) business days from the time of notification.
- c. During the site visit, the following will be accomplished:
  1. Pre-construction site inspection

2. Review and validate the description of work
  3. Develop draft detailed statement of work
  4. Mark-up existing drawings to show required work (when existing drawings are readily available)
  5. Discuss project with end-user customer, ensure proposed work meets their objectives
  6. Establish Contractor's due date for the Job Order Proposal
- d. Contractor will keep adequate notes of the site visit, including a before picture, in color, of the conditions, and provide a copy to Owner following completion of the site visit.
- e. Contractor shall submit Contractor's Job Order Proposal within three (3) business days of receipt of Owner's Job Order Proposal Request. Contractor's Job Order Proposal shall include the following:
- i. A narrative description of Contractor's understanding of the project's scope of work;
  - ii. A description of particular phases of the scope of the work;
  - iii. A cost proposal detailing:
    1. the cost of the 'pre-priced' items as taken from the unit price guide (The cost proposal for each Job Order should be based substantially on the use of pre-priced items);
    2. the cost of any 'non-pre-priced' items (The proposed cost of all non-pre-priced items in the cost proposal shall include all of Contractor's cost items otherwise included in the coefficient multiplier used for pre-priced items. No coefficient multiplier shall be applied to non-pre-priced items;
    3. any other costs that the Contractor intends to charge to the project (Note that other costs include extraordinary costs that are unique to a specific project and not generally or reasonably included in the coefficient multiplier; other costs may be added only if authorized or confirmed in writing by Owner. Other costs may be calculated as a lump sum for the Job Order or on a "not to exceed" basis.);
    4. a statement that all Contractor fees, overhead expenses and general conditions are included in the cost proposal; and
    5. a lump sum figure for performing the Work, if appropriate;
  - iv. A description of all plans, specifications and other documents, including construction permits, to be used by Contractor in the performance of the Work;
  - v. A proposed time schedule showing the sequence in which Contractor proposes to perform the Work and dates on which Contractor proposes to complete each phase of the scope of the work, including a proposed date to commence the Work and a proposed completion date of the Job Order.
  - vi. If required by Owner, Contractor must submit a schedule chart, which may be a formal computerized schedule or a progress chart in a bar chart format of suitable scale to indicate appropriately the percentage of Work scheduled for completion by any given date during the period. The schedule chart, if required, must contain:
    - a. A list of the different types of work activities or work elements.
    - b. Show the logical dependencies (ties) to indicate what Work must be accomplished before other Work can begin.
    - c. Include proposed start and completion dates or time frames for each work activity or work element.
    - d. Calculate the "weighting" or relative worth each work activity or work element is of the total project either as a percentage or dollar amount.
    - e. Proposed traffic control methods providing all necessary traffic control, such as street blockages, traffic cones, flagmen, etc.
  - vii. Contractor's designated representative primarily responsible for the Work;
  - viii. A list of all subcontractors who Contractor proposes to use in the performance of the Work;
  - ix. Any qualifications or conditions applicable to the Job Order Proposal; and

- f. After Contractor's submission of its Job Order Proposal, Owner will review the Job Order Proposal and either proceed to issuance of a Job Order or schedule a time to review the Job Order Proposal with Contractor and negotiate any changes, clarifications or modifications.
- g. Following the review of Contractor's Job Order Proposal, Owner shall issue Job Order in writing, in a form materially consistent with Attachment A hereto, incorporating any changes, clarifications or modifications to Contractor's Job Order Proposal made in the review process, and attaching the final Job Order Proposal as an exhibit.
- h. Once issued, the Job Order is a not to exceed contract amount for the Job Order. No line item will be added to a Job Order because a line item was excluded by Contractor in Contractor's Job Order Proposal or draft or final Job Order; however, the Owner shall have no obligation to pay for goods or services contained in the Job Order Proposal that are not provided.
- i. **Notice to Proceed:** If a Commence Date is not stated in the specific Job Order, Owner shall issue a written Notice to Proceed. The Notice to Proceed authorizes the Contractor to begin the Work identified in the Job Order on the date fixed in the Notice to Proceed. Upon the Commencement Date specified in the Job Order or Notice to Proceed, Contractor is fully responsible for the scheduling, quality control, safety, and all other aspects of the management of the project detailed in the Job Order. Owner may make periodic inspections of the job site to ensure compliance; however, quality control is ultimately the Contractor's responsibility.
- j. **Quality Assurance/Quality Control Plan:** If requested by the Owner for a particular Job Order, Contractor shall submit, for Owner approval, a Quality Assurance/Quality Control Plan. This plan should address all aspects of quality control including responsibility for surveillance of work, documentation, trend analysis, corrective action and interface with the Owner's inspectors.
- k. **Weekly Reports:** Contractor is required to submit weekly progress reports on each active Job Order electronically or in paper form to Owner at the end of each work week, which shall include a current schedule.
- l. **Schedule:** Time is of the essence in rendering the services hereunder. The Job Order shall include a time schedule for each phase of the Work for the Job Order, and Contractor agrees to perform all obligations and render services in accordance with the schedule(s) established in the Job Order. In emergency or non-standard situations, Owner may require Contractor to complete a Job Order on an expedited basis. All Job Orders are to be completed within the timelines agreed to by Owner and Contractor as detailed in the Job Order. If Contractor falls behind the schedule detailed in the Job Order, Contractor shall take steps necessary to improve its progress, including those that may be reasonably required by Owner. Without additional cost to Owner, Owner may require Contractor to increase the number of shifts, overtime operations, days of work, and/or the amount of construction plant or equipment, and to submit for approval any supplementary schedule or schedules in chart form as Owner deems necessary to demonstrate how the approved rate of progress will be regained.
- m. **Emergency Work:** Contractor will give top priority to any emergency work Owner may have and will allocate all resources necessary to accomplish such work in accordance with Owner's schedule requirements.

## IX. OWNER'S RESPONSIBILITIES

9.1 **Representative:** Owner designates the \_\_\_\_\_ or his/her designee as its representative authorized to act in Owner's behalf with respect to the Job Order(s). Contractor shall

coordinate its work solely through the designated representative.

9.2 **Special Information:** Unless otherwise detailed herein or in the Job Order, Owner shall furnish available any relevant property, boundary, easement, right-of-way, topographic and utility surveys; plans and specifications; and other special data and conditions relevant to the project. Owner makes no warranties or representations as to the accuracy or suitability of information provided to Contractor by Owner or by others.

9.3 **Entry on Land:** Owner shall assist Contractor in gaining entry to Owner's property as necessary for Contractor to perform its services under this Contract.

9.4 **Review of Work:** Owner will review the Work in progress as appropriate. At the completion of the Job Order, Owner (or Owner's Architect/Engineer, if any) shall do a walk through to ensure that the Work is completed in accordance with the Job Order. Owner will notify Contractor in writing of any material error or omission or other defect in the Work or any conflict in the contract documents that Owner becomes aware of, but Owner shall have no obligation or duty to investigate whether such faults, defects, or conflicts exist.

9.6 **Time for Response:** Owner shall furnish required information and services and shall render approvals and decisions as expeditiously as necessary for the orderly progress of Contractor's services and of the Work.

#### **X. SITE INVESTIGATION AND CONDITIONS AFFECTING THE WORK**

10.1 Contractor's acceptance of a Job Order entered into pursuant to this Contract shall constitute Contractor's acknowledgement that Contractor has taken steps reasonably necessary to ascertain the nature and location of the Work for the specific Job Order, and that Contractor has investigated and satisfied itself as to the general and local conditions which can affect the Work or its cost, including but not limited to:

- a. Conditions bearing upon transportation, disposal, handling, and storage of materials;
- b. The availability of labor, water, electric power, and roads;
- c. Uncertainties of weather, river stages, tides, or similar physical conditions at the site;
- d. The conformation and conditions of the ground; and
- e. The character of equipment and facilities needed preliminary to and during work performance.

10.2 Contractor's acceptance of a Job Order entered into pursuant to this Contract shall constitute Contractor's acknowledgement that Contractor has satisfied itself as to the character, quality, and quantity of surface and subsurface materials or obstacles to be encountered insofar as this information is reasonably ascertainable from an inspection of the site, including all exploratory work done by Owner, as well as from the drawings and specifications made a part of this Contract.

10.3 **Owner Furnished Utilities:** Owner shall provide, at no cost to Contractor, wet and dry utilities and toilet facilities that are existing and available at each site for Work performed under the Job Order. If utilities and/or toilet facilities are not existing and available, the costs for such shall be included in the Job Order Proposal. It is the responsibility of Contractor to determine the extent to which existing Owner utilities are adequate for the needs of the Job Order.

10.4 **Asbestos Certification Statement:** If required by Owner, Contractor shall provide a certification statement for each Job Order, stating that no asbestos-containing materials or work is included within the scope of the Job Order. If required by Owner, Contractor shall provide, at completion of the Job Order, a notarized affidavit to Owner stating that no asbestos-containing materials or work was provided, installed, furnished or added to the project.

10.5 If required, Owner shall provide a survey in accordance with the Texas Asbestos Health

Protection Rules prior to the commencement date of the Job Order. Contractor shall take whatever measures he deems necessary to insure that all employees, suppliers, fabricators, material men, subcontractors, or their assigns, comply with this requirement. All materials used on a Job Order shall be certified as non-Asbestos Containing Building Materials (ACBM). Contractor shall insure compliance with the following acts from Contractor and all of Contractor's subcontractors and assigns:

- a. Asbestos Hazard Emergency Response Act (AHERA—40 CFR 763-99 (7));
- b. National Emission Standards for Hazardous Air Pollutants (NESHAP—EPA 40 CFR 61, National Emission Standard for Asbestos;
- c. Texas Asbestos Health Protection Rules (TAHRP—Tex. Admin. Code Title 25, Part 1, Ch. 295C, Asbestos Health Protection

Every subcontractor shall provide a notarized statement that no ACBM has been used, provided, or left on a Job Order. Contractor shall provide, in hard copy and electronic form, all necessary material safety data sheets (MSDS) of all products used in the Job Order to the Texas Department of Health licensed inspector or Owner's architect or engineer, if any, who will compile the information from the MSDS and, finding no asbestos in any of the product, make a certification statement.

**10.6 Differing Site Conditions:** Contractor shall promptly, and before the conditions are disturbed, give a written notice to Owner of:

- a. Subsurface or latent physical conditions at the site which differ materially from those indicated in the Contract, or
- b. Unknown physical conditions at the site, of an unusual nature, which differ materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

**10.7 Investigation by Owner:** Owner shall investigate the site conditions promptly after receiving the notice. If the conditions do materially differ and cause an increase or decrease in Contractor's cost or the time required for performing any part of the Work, an equitable adjustment shall be made and the Job Order modified in writing accordingly.

**10.8 Equitable Adjustment:** No request by Contractor for an equitable adjustment to the Job Order under this Article shall be allowed unless Contractor has given the written notice required. No request by Contractor for an equitable adjustment to the Job Order for differing site conditions shall be allowed if made after final payment under such Job Order.

## **XI. INSPECTION OF CONSTRUCTION AND OWNER'S ACCEPTANCE OF WORK**

**11.1 Contractor Inspection System:** Contractor shall maintain an adequate inspection system and perform such inspections as well as ensure that the Work called for conforms to the Job Order. Contractor shall maintain complete inspection records and make them available to Owner. All work is subject to inspection and testing by Owner at all places and at all reasonable times before final acceptance of the Work to ensure strict compliance with the terms of the Contract and the Job Order.

**11.2 Owner's Satisfaction:** All Work performed under this Contract shall be completed to the satisfaction of Owner's representative assigned to the Job Order. Owner's representative shall decide all questions regarding Contractor's performance under the Contract and Job Order, and such decisions shall be final and conclusive.

**11.3 Non-Conformance:** Contractor shall, without charge, replace or correct Work found by Owner not to conform to a Job Order's requirements, unless Owner consents, in writing, to accept the Work with an appropriate adjustment in contract price. Contractor shall promptly segregate and remove rejected material from the premises, if required by Owner.

11.4 **Failure to Conform:** If Contractor does not promptly replace or correct rejected Work, Owner may:

- a. By contract or otherwise, replace or correct the Work and charge the cost to Contractor, and/or
- b. Terminate the Contractor for default upon seven (7) days written notice.

11.5 **Liability:** Owner's approval or acceptance of Contractor's Work shall not release Contractor from any liability for any defects in the Work.

11.6 Owner inspections and tests, if any, are for the sole benefit of Owner and do not:

- a. Relieve Contractor of responsibility for providing adequate quality control measures;
- b. Relieve Contractor of responsibility for damage to or loss of the material before acceptance;
- c. Constitute or imply acceptance; or
- d. Affect the continuing rights of Owner after acceptance of the complete work.

11.7 The presence or absence of an inspector does not relieve Contractor from any Contract or Job Order requirement, nor is the inspector authorized to change any term or condition of the Job Order without Owner's written authorization.

11.8 Contractor shall promptly furnish, without additional charge, all facilities, labor, and material reasonably needed for performing such safe and convenient inspections and tests as may be required by Owner. Owner may charge to Contractor any additional cost of inspection or test when Work is not ready at the time specified by Contractor for inspection or test, or when prior rejection makes re-inspection or retest necessary. Owner shall perform all inspections and tests in a manner that will not unnecessarily delay the Work. Special, full size and performance tests shall be performed as described in the Job Order.

11.9 If, before acceptance of the entire Work, Owner decides to examine already-completed Work by removing it or tearing it out, Contractor, on request, shall promptly furnish all necessary facilities, labor, and material for this task. If the Work is found to be defective or nonconforming in any material respect due to the fault of Contractor or its Subcontractors, Contractor shall bear the expenses of the examination and of satisfactory reconstruction. However, if the Work is found to meet requirements, Owner shall make an equitable adjustment for the additional services involved in the examination and reconstruction, including, if completion of the Work was thereby delayed, an extension of the period of time for performance.

11.10 Substantial Completion means the date on which the Work, or an agreed-upon portion of the Work, is sufficiently complete so that Owner can occupy and use the Work or a portion thereof for its intended purposes. Unless otherwise specified in the Job Order, Owner shall accept, as promptly as practicable after completion and inspection, all Work required by the Job Order or that portion of the Work Owner determines can be accepted separately. Acceptance shall be final and conclusive, except for latent defects, fraud, gross mistakes amounting to fraud, or Owner's rights under any warranty or guarantee.

11.11 **Use and Possession Prior to Completion:** Owner shall have the right to take possession of or use any completed or partially completed part of the Work. Before taking possession of or using any work, Owner shall furnish Contractor a list of items of work remaining to be performed or corrected on those portions of the Work that Owner intends to take possession of or use. However, failure of Owner to list any item of work shall not relieve Contractor of responsibility for complying with the terms of this Contract or the Job Order. Owner possession or use shall not be deemed an acceptance of any work under this Contract. While Owner has such possession or use, Contractor shall be relieved of the responsibility for the loss of or damage to the Work resulting from Owner's possession or use. If prior possession or use by Owner delays the progress of the Work or causes additional expense to Contractor,

and such expenses or delays are adequately documented and substantiated by Contractor, an equitable adjustment shall be made in the Job Order price and/or the period of performance, and the Job Order shall be modified in writing accordingly.

11.12 **Close-Out Documentation:** Contractor shall provide the following as part of the close-out documentation:

- a. An electronic file of all documentation specific to every job order project shall be submitted with close-out documents.
- b. All forms below must be included with the final payment documentation of the project, as applicable:
  - 1) Owner's Manual(s)
  - 2) MSDS
  - 3) Submittals (Ex: Paint colors, carpet, equipment, supplies, and etc.)
  - 4) Warranties
  - 5) Conditional Lien Release
  - 6) Copies of all applicable permits, licenses, and/or other regulatory documents.
- c. Contractor shall be required to submit any / all additional documentation that is related to any project upon request by the Director of Maintenance.

## **XII. PROTECTION OF EXISTING VEGETATION, STRUCTURES, UTILITIES AND IMPROVEMENTS; TRAFFIC CONTROL**

12.1 **Preservation:** Contractor shall preserve and protect all structures, equipment and vegetation (such as trees, shrubs, and grass) on or adjacent to the Job Order site, which is not to be removed and which does not unreasonably interfere with the Work required under the Job Order. Contractor shall **only remove trees when specifically authorized by Owner to do so**, and shall avoid damaging vegetation that will remain in place. If any limbs or branches of trees are broken during performance by the operation of equipment, or by workmen, Contractor shall trim those limbs or branches with a clean cut and paint the cut with a tree pruning compound as directed by Owner.

12.2 **Existing Improvements:** Contractor shall protect from damage all existing improvements and utilities at or near the Job Order site and on adjacent property of third parties, the locations of which are made known to or should be known by Contractor. Contractor shall repair any damage to those facilities, including those that are the property of third parties, resulting from failure to comply with the requirements of this Contract or the Job Order or failure to exercise reasonable care in performing the Work. If Contractor fails or refuses to repair the damage promptly, Owner may have the necessary repair work performed and charge the cost to Contractor.

12.3 **Traffic Control:** Contractor shall be responsible for providing all necessary traffic control, such as street blockages, traffic cones, flagmen, etc., as required for each Job Order. Proposed traffic control methods and costs shall be submitted to Owner for approval in Contractor's Job Order Proposal.

## **XIII. CLEANING UP AND REFUSE DISPOSAL**

13.1 Contractor shall at all times keep the Job Order site, including storage areas, free from accumulations of waste materials. Before completing the Work, Contractor shall remove from the premises any rubbish, tools, scaffolding, equipment, and materials that are not the property of Owner. Upon completing the Work, Contractor shall leave the site in a clean and orderly condition satisfactory to Owner. Contractor shall be responsible and liable for all construction refuse disposal containers and their removal from the site. Disposal of any hazardous materials not addressed and priced in the Job Order will be segregated for disposal by Owner unless Owner requires Contractor to dispose of the materials, in which case, an equitable adjustment in the price will be negotiated and agreed upon. Contractor shall not use Owner's trash containers for any reason.



#### **XIV. WARRANTY OF CONSTRUCTION**

14.1 **Warranty:** In addition to any other warranties specified in any Job Orders, Contractor warrants, for the maximum period allowed by law, and except as otherwise specifically provided herein, that Work performed conforms to the Job Order and is free of any defect in equipment, material or design furnished, or workmanship performed by Contractor or any of its subcontractors or suppliers at any tier. The Contractor shall be obligated to repair or replace any defective or non-conforming Work for a period of one (1) year from the date of final acceptance of the Work. If Owner takes possession of any part of the Work before final acceptance, this one (1) year correction period shall continue for a period of one (1) year from the date possession is taken.

14.2 **Non-Conformance:** Contractor shall remedy, at Contractor's sole expense, any failure of the Work to conform to the Job Order, or any construction defect occurring during the warranty period. In addition, the Contractor shall remedy, at Contractor's expense, any damage to Owner's real or personal property, when that damage is the result of:

- a. Contractor's failure to conform to requirements in this Contract or the Job Order; or
- b. Any defect of equipment, material, workmanship, or design furnished by the Contractor.

If Contractor, after notice, fails to proceed promptly and remedy the problem within thirty (30) calendar days or within another period of time which has been agreed to in writing, in compliance with the terms of the warranty, Owner may have the defects corrected and the Contractor and its surety shall be liable for all expenses incurred.

14.3 **Restoration:** Contractor shall restore any work damaged in fulfilling the terms and conditions of this Section. Contractor's warranty with respect to work repaired or replaced will run for one (1) year from the date of repair or replacement. Owner shall notify Contractor, in writing, within a reasonable time after the discovery of any failure, defect, or damage. If Contractor fails to remedy any failure, defect, or damage within a reasonable time after receipt of notice, Owner shall have the right to replace, repair, or otherwise remedy the failure, defect or damage at Contractor's expense, and Contractor shall be liable to owner for any damages sustained by Owner as a result of the failure, defect, or damage.

14.4 **Third-Party Warranties:** With respect to all warranties, expressed or implied, from subcontractors, manufacturers, or suppliers for work performed and materials furnished for Job Orders issued under this Contract, Contractor shall:

- a. Obtain all warranties required by the Job Order;
- b. Require all warranties to be executed, in writing, for the benefit of Owner; and
- c. Enforce all warranties for the benefit of Owner;

14.5 **Warranty Expiration:** In the event Contractor's warranty under paragraph 14.1 of this Article has expired, Owner may bring suit to enforce a subcontractor's, manufacturers, or supplier's warranty.

14.6 **Owner Liability:** Unless a defect is caused by the negligence or intentional act or failure to act of Contractor or subcontractor or supplier at any tier, Contractor shall not be liable for the repair of any defects of material or design furnished by Owner or for the repair of any damage which results from any defect in Owner-furnished material or design. Contractor is not responsible for and does not warrant pre-existing work or facilities that may be assigned to Contractor except as stated in the Job Order.

14.7 This warranty shall not limit Owner's rights under this Contract and/or applicable law with respect to latent defects, gross mistakes, breach of contract or fraud.

#### **XV. PAYMENT**

15.1 **Compensation:** Costs for equipment, material, and labor shall be in accordance with the Contract. Owner shall pay Contractor for Work performed on Job Orders authorized by Owner in writing,

subject to allowable additions and deductions. Owner shall pay all unpaid and undisputed amounts due Contractor under this Contract within thirty (30) days of receipt of invoice. If payment is later than forty-five (45) days, interest will be set no higher than six percent (6%) per annum. If Work or any portion thereof has not met the satisfactory approval of Owner's Representative, current and future payments shall not be made until both parties agree that the Work or the portion thereof has been completed in a satisfactory manner or the Work is acceptable. Notwithstanding any provision herein to the contrary, no payment of amounts owed hereunder shall be considered past due or not paid when due except in accordance with Section 2251.021 of the Texas Government Code.

**15.2 Progress Payments:** If required by the Job Order, Owner shall make progress payments monthly as the Work proceeds, or at more frequent intervals as determined by Owner, on estimates of Work completed submitted by Contractor and approved in writing by Owner. Contractor shall use an acceptable invoice form and shall include supporting documents to reflect a written breakdown of the total price showing the amount included therein for each principal category of the Work, in such detail as requested, to provide a basis for determining progress payments. In the estimation of Work completed, Owner will authorize payment for material delivered on the site and preparatory work done if Contractor furnishes satisfactory evidence that it has acquired title to such material and that the material will be used to perform the Work.

**15.3 Application for Payment:** With each Application for Payment, Contractor must attach/detail the following information:

- (1) Defective Work not remedied.
- (2) Legal claims filed against Contractor or reasonable evidence indicating probable filing of claims;
- (3) Failure of Contractor to make payments properly to any subcontractor or supplier for material or labor;
- (4) A reasonable doubt that the Job Order can be completed for the unpaid Job Order balance; and
- (5) Damage to another contractor.

**15.4 Payment Retention:** In the processing of progress payments, Owner shall retain five percent (5%) of the estimated amount until final completion and acceptance of all Work performed under the Job Order. Retention applicable to each Job Order shall be released within thirty (30) days after final completion of the Job Order and acceptance of the Work under the Job Order.

**15.5 Liquidated Damages:** Contractor is expected to complete each Job Order on a timely basis. Liquidated damages may be assessed at Owner's option for Contractor's failure to timely complete each Job Order and/or phase of the scope of work detailed in a Job Order. Owner may withhold as liquidated damages, or require Contractor to pay a "per day" amount, to be set forth in the Job Order, as liquidated damages for any Work not completed by the completion day set forth in the Job Order. These liquidated damages are not a penalty but are compensation to Owner for additional expenses incurred and inconvenience caused by Contractor's failure to allow Owner to receive the premises at the designated time of completion.

## **XVI. TERMINATION FOR CONVENIENCE OF OWNER**

**16.1 Termination:** Owner may, with or without cause, terminate performance of the Work under this Contract or any Job Order in whole or, from time to time, in part, if Owner determines that termination is in Owner's interest. Owner shall effect such termination by delivering to Contractor a Notice of Termination specifying the extent of termination and the effective date.

**16.2** After receipt of a Notice of Termination, and except as directed by Owner, Contractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this Article:

- a. Stop work as specified in the notice;
- b. Place no further subcontracts or orders (referred to as subcontracts in this Article) for materials, services or facilities, except as necessary to complete any Work not terminated;
- c. Assign to Owner, as directed by Owner, all right, title, and interest of Contractor under the subcontracts to the extent they relate to the Work terminated, in which case Owner shall have the right to settle or to pay any termination settlement proposal arising out of those terminations, or with approval or ratification to the extent required by Owner, Contractor shall settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts, the approval or ratification of which will be final for purposes of this Section;
- d. As directed by Owner, transfer title and deliver to Owner:
  - i. The fabricated or un-fabricated parts, Work in process, completed Work, supplies, and other material produced or acquired for the Work terminated, and
  - ii. The completed or partially completed plans, drawings, information, and other property that, if the Contract and/or Job Order had been completed, would be required to be furnished to Owner;
- e. Complete performance of the Work not terminated;
- f. Take any action that may be necessary, or that Owner may direct, for the protection and preservation of the property related to this Contract and/or the Job Order that is in the possession of Contractor and in which Owner has or may acquire an interest;
- g. Use its best efforts to sell, as directed or authorized by Owner, any property of the types referred to in paragraph 16.2(c) above; provided, however, that Contractor is not required to extend credit to any purchaser and may acquire the property under the conditions prescribed by, and at prices approved by, Owner. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by Owner under the Contract and/or Job Order, credited to the price or cost of the Work, or paid in any other manner directed by Owner.

## XVII. DEFAULT

**17.1 Termination of Right to Proceed:** If Owner determines that Contractor is not prosecuting the Work with sufficient diligence to ensure completion within the time specified in the Job Order, or fails to complete the Work within this time, Owner may terminate the Contractor's right to proceed with the Work (or separable part of the Work), upon seven (7) calendar days' written notice to the Contractor. In this event, Owner may take over the Work and complete it by contract or otherwise and may take possession of and use any materials, appliances, and plant on the site necessary for completing the Work.

Contractor's right to proceed shall not be terminated under this Section, if:

- a. The delay in completing the Work arises from unforeseeable causes beyond the control and without the fault or negligence of Contractor. Examples of such causes include:
  - i. acts of God or of the public enemy,
  - ii. acts of Owner in its contractual capacity,
  - iii. acts of another Contractor in the performance of a written Contract with Owner,
  - iv. fires,

- v. floods,
  - vi. epidemics,
  - vii. quarantine restrictions,
  - viii. strikes,
  - ix. freight embargoes, or
  - x. unusually severe weather
- b. Contractor, within seven (7) calendar days from the beginning of any such delay (unless extended by Owner), shall notify Owner in writing of the causes of delay. Owner shall ascertain the facts and the extent of delay. If, in the judgment of Owner, the findings of fact warrant such action, the time for completing the Work under the Job Order shall be extended.

If, after termination of Contractor's right to proceed, it is determined that Contractor was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if the termination had been issued for the convenience of Owner. The rights and remedies of Owner in this Article are in addition to any other rights and remedies provided by law or under this Contract.

**17.2 Termination for Default:** In the event Contractor fails to carry out or comply with any of the terms and conditions of this Contract or any Job Order, Owner may notify Contractor of such failure or default in writing and demand that the failure or default be remedied within seven (7) calendar days; in the event Contractor fails to remedy such failure or default within seven (7) day period, Owner shall have the right to terminate this Contract and/or any Job Order. Without limiting the foregoing, the following shall constitute a material breach by Contractor, upon the occurrence of which Contractor shall immediately notify Owner: Contractor: (i) ceases its business operations; (ii) makes a general assignment for the benefit of creditors; (iii) is adjudged bankrupt; or (iv) becomes insolvent.

**17.3 Effect of Termination:** Termination of this Contract or any Job Order under any circumstances whatsoever shall not effect or relieve Contractor from any obligation or liability that may have been incurred or will be incurred, and such termination by Owner shall not limit any other right or remedy available to Owner at law or in equity.

#### **XVIII. CANCELLATION FOR CONFLICT OF INTEREST**

18.1 Pursuant to applicable law, Owner may cancel this Contract, without penalty or further obligation to Contractor, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Contract on behalf of the Owner was at any time while this Contract or extension of this Contract is in effect, an employee or agent of any other party to this Contract in any capacity or consultant to any other party of this Contract. A cancellation made pursuant to this provision shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time.

#### **XIX. INSURANCE**

19.1 Contractor shall purchase and maintain in effect during the term of this Contract insurance of the types and with minimum limits of liability as stated below. Such insurance shall protect Contractor from claims which may arise out of or result from Contractor's operations whether such operations are performed by Contractor or by any subcontractor or by anyone for whose acts any of them may be liable.

- a. **WORKERS' COMPENSATION INSURANCE** providing statutory benefits in accordance with the laws of the State of Texas or any federal statutes as may be applicable to the Work being performed under this Contract.

b. EMPLOYER'S LIABILITY INSURANCE with limits of liability not less than:

\$1,000,000	Each Accident
\$1,000,000	Policy Limits
\$1,000,000	Each Employee

c. COMMERCIAL GENERAL LIABILITY INSURANCE including products/Completed Operations and Contractual Liability with limits of liability not less than:

Occurrence / Personal Injury / Advertising /	
\$1,000,000 CSL	Products / Completed Operations
\$2,000,000 CSL	Annual Aggregate
\$2,000,000 CSL	Products Aggregate
\$1,000,000 CSL	Fire, Lightning or Explosion
\$5,000 Per Person	Medical Expense

d. AUTOMOBILE LIABILITY INSURANCE covering all owned, hired and non- owned motor vehicles used in connection with the Work being performed under this Contract with limits of liability not less than:

\$1,000,000	Bodily Injury / Property Damage
-------------	---------------------------------

**Commented [SL1]:** Please review – this section can be replaced by reference to a standard HCDE insurance exhibit or HCDE's standard insurance requirements placed here.

19.2 Such insurance as is provided herein shall be primary and non-contributing with any other valid and collectible insurance available to Owner.

19.3 All policies providing Contractor's insurance as required in paragraph 19.1 above shall be endorsed to provide the following:

- a. Ninety (90) days written notice of cancellation or non-renewal given to Owner at the address designated in Section 23.
- b. Owner be named as Additional Insured on all policies except Workers Compensation (Prohibited by Law).
- c. Waiver of Subrogation added by endorsement on all policies.

19.4 The limits of liability as required above may be provided by a single policy of insurance or by a combination of primary, excess or umbrella policies. In no event, however, shall the total limits of liability available for any one occurrence or accident be less than the amount(s) required above.

19.5 Proof of compliance with these insurance requirements shall be furnished to Owner in the form of an original certificate of insurance signed by an authorized representative or agent of the insurance company(ies) within ten (10) days of execution of this Contract. Renewal or replacement certificates shall be furnished to Owner not less than twenty-one (21) days prior to the expiration or termination date of the applicable policy(ies). If Contractor fails to maintain the required amounts of insurance or allows the policies to lapse or expire during the term of the Contract, Owner may purchase said insurance and deduct the cost of obtaining the insurance from Contractor's contract sum.

19.6 Contractor shall require any and all subcontractors performing Work under this Contract to carry insurance of the types and with limits of liability as Contractor shall deem appropriate and adequate for the Work being performed. Contractor shall obtain and make available for inspection by Owner upon request current certificates of insurance evidencing insurance coverage carried by such subcontractors.

19.7 Mail the original certificate of insurance to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## **XX. CHANGES**

20.1 Owner may, at any time, without notice to the sureties, if any, by written order designated or indicated to be a change order, make changes in the Work within the general scope of a Job Order, including changes:

- a. In the specifications (including drawings and designs);
- b. In Owner-furnished facilities, equipment, materials, services, or site; or
- c. Directing acceleration in the performance of the Work, or otherwise altering the schedule for performance of the Work.

20.2 Any other written order (which, as used in this paragraph, includes direction, instruction, interpretation, or determination) from Owner that causes a change shall be treated as a change order under this Article; provided, that Contractor gives Owner timely written notice stating the date, circumstances, and source of the order and that Contractor regards the order as a change order.

20.3 Except as provided in this Article, no order, statement, or conduct of Owner shall be treated as a change under this Article or entitle Contractor to an equitable adjustment hereunder.

20.4 Contractor must submit any proposal under this Article within thirty (30) calendar days after:

- a. Receipt of a written change order under Paragraph 20.1 above or;
- b. The furnishing of a written notice under Paragraph 20.2 above,

by submitting to Owner a written statement describing the general nature and amount of the proposal, unless this period is extended by Owner. The statement of proposal for adjustment may be included in the notice under Paragraph 20.2 above.

20.5 No proposal by Contractor for an equitable adjustment shall be allowed if asserted after final payment under the Job Order.

## **XXI. PAYMENT AND PERFORMANCE BONDS**

21.1 Payment Bond:

Contractor shall furnish a Payment Bond in the amount equal to one hundred percent (100%) of the contract amount if the Job Order is in excess of \$25,000.

21.2 Performance Bond:

Contractor shall furnish a Performance Bond in the amount equal to one hundred percent (100%) of the Job Order amount if the Job Order is in excess of \$100,000.00. The bonds must be executed by a corporate surety authorized to do business in Texas and licensed in Texas to issue surety bonds, and must be executed by a surety company that is authorized and admitted to write surety bonds in Texas. If the amount of the bond exceeds \$100,000.00, the surety must:

- (a) Hold a certificate of authority from the U.S. Secretary of the Treasury to qualify as a surety on

obligations permitted or required under federal law; or

- (b) Have obtained reinsurance for any liability in excess of \$100,000.00 from a reinsurer that is authorized and admitted as a reinsurer in Texas and is the holder of a certificate of authority from the U.S. Secretary of the Treasury to qualify as a surety or reinsurer on obligations permitted or required under federal law.

21.3 The Performance and/or Payment Bonds must be submitted to Owner before commencement of any work. The bonds must be made payable to Owner.

## **XXII. PREVAILING WAGE RATES**

22.1 Contractor shall comply with, and ensure each subcontractor complies with, all applicable laws regarding prevailing wage rates, including, but not limited to, Chapter 2258 of the Texas Government Code and any related federal requirements applicable to a Job Order. Contractor and all subcontractors shall comply with all state and federal laws including, but not limited to, laws of labor, minimum wage, safety, and equal employment opportunity. Contractor and all subcontractors must pay not less than the general prevailing wage rate plus any applicable fringe benefits. Contractor shall pay not less than the wage scale of the various classes of labor as detailed in the prevailing wage schedule detailed in Attachment B.

## **XXIII. MISCELLANEOUS PROVISIONS**

23.1 **Independent Contractor:** Contractor acknowledges that it is engaged as an independent contractor and that Owner shall have no responsibility to provide Contractor or its employees with transportation, insurance or other fringe benefits normally associated with employee status. Contractor is responsible for all income taxes required by applicable law. It is the intention of the parties that Contractor is independent of Owner and is not an employee, agent, joint venture, or partner of Owner. Contractor acknowledges that Owner has no responsibility for any conduct of any Contractor's employees, agents, representatives, contractors, or subcontractors.

23.2 **Confidentiality:** Contractor shall treat any information supplied by Owner or information pertaining to Owner as confidential and shall not disclose any such information to others except as necessary for the performance of this Contract or a Job Order or as authorized by Owner in writing or except when required by law.

23.3 **Successors and Assigns:** Owner and Contractor, respectively, bind themselves, their partners, successors, assigns and legal representatives to the other party to the terms and conditions of this Contract. This Contract is a personal service contract for the services of Contractor, and Contractor's interest in this Contract, duties hereunder and/or fees due hereunder may not be assigned or delegated to a third party without written consent of Owner. The benefits and burdens of this Contract are, however, assignable by Owner.

23.4 **Loss of Funding:** Performance by Owner under this Contract may be dependent upon the appropriation and allotment of funds by the Texas State Legislature (the "Legislature") and/or allocation of funds by the Owner's Board of Trustees. If the Legislature fails to appropriate or allot the necessary funds, or the Board fails to allocate the necessary funds, then Owner shall issue written notice to Contractor and Owner may terminate this Contract without further duty or obligation hereunder. Contractor acknowledges that appropriation, allotment, and allocation of funds are beyond the control of Owner. The parties agree that this Contract and any Job Order issued by Owner are commitments of Owner's current revenue only. Every payment obligation of Owner under this Contract is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Contract or any Job Order, this Contract or any Job Order may be terminated by Owner at the end of the period for which funds are available.

23.5 **Open Records:** Contractor acknowledges that Owner is subject to the Texas Public Information

Act, and Contractor waives any claim against and releases from liability Owner, its officers, employees, agents, and attorneys with respect to disclosure of information provided under or in this Contract or otherwise created, assembled, maintained, or held by Contractor or Owner and determined by Owner, the Attorney General of Texas, or a court of law to be subject to disclosure under the Texas Public Information Act.

23.6 **Franchise Tax Certification:** A corporate or limited liability company Contractor certifies that it is not currently delinquent in the payment of any franchise taxes due under Chapter 171 of the Texas Tax Code, or that the corporation or limited liability company is exempt from the payment of such taxes, or that the corporation or limited liability company is an out-of-state corporation or limited liability company that is not subject to the Texas Franchise Tax, whichever is applicable.

23.7 **Taxes:** Owner is tax exempt, and Contractor shall avail itself of all tax exemptions applicable to Contractor's work or expenses. Owner shall provide a tax exemption certificate to Contractor upon Contractor's request. Owner shall not be liable for any taxes resulting from this Contract, except where otherwise required by law.

23.8 **Captions:** The captions of paragraphs in this Contract are for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

23.9 **Severability:** Should any provisions(s) of this Contract be held invalid or unenforceable in any respect, that provision shall not affect any other provisions, and this Contract shall be construed as if the invalid or unenforceable provision(s) had not been included.

23.10 **Waivers:** No delay or omission by either party in exercising any right or power provided under the provisions of this Contract shall impair any such right or power or be construed to be a waiver of the right or power. A written waiver granted by either of the parties of any provision of this Contract shall not be construed as a future waiver of that provision or a waiver of any other provision of the Contract.

23.11 **Force Majeure:** No party shall be liable or responsible to the other for any loss or damage or for any delays or failure to perform under this Contract due to causes beyond its reasonable control, including, but not limited to, acts of God, employee strikes, epidemics, war, riots, flood, fire, sabotage, terrorist acts or any other circumstances of like character.

23.12 **Governing Law and Venue:** This Contract shall be construed, interpreted and applied in accordance with the laws of the State of Texas without regard for choice of law principles. All obligations of the parties created hereunder are enforceable in Houston, Harris County, Texas, which shall be the exclusive venue for any dispute hereunder.

23.13 **Entire Contract:** This Contract, as defined herein, constitutes the sole and only agreement between the parties with respect to the services contracted for and supersedes any prior understandings, written or oral. No modification, alteration or waiver of this Contract or any of its provisions shall be effective unless in writing and signed by both parties. No course of prior dealings, no usage of trade, and no course of performance shall be used to modify, supplement or explain any terms used in this Contract.

23.14 **Financial Interest:** By signature hereon, Contractor certifies that no member of Owner's Board of Trustees has a financial interest, directly or indirectly, in the transaction that is the subject of this Contract.

23.15 **Authority to Act:** If Contractor is a corporation or a limited liability company, Contractor warrants, represents, and agrees that (1) it is duly organized, validly existing and in good standing under the laws of the state of its incorporation or organization; (2) it is duly authorized and in good standing to conduct business in the State of Texas; (3) it has all necessary power and has received all necessary approvals to execute and deliver this Contract; and (4) the individual executing this Contract on behalf of Contractor has been duly authorized to act for and bind Contractor.



23.16 **Records:** Records of expenses pertaining to additional services, services performed on the basis of a Worker Wage Rate or Monthly Salary Rate, or reimbursable expense, if allowed, shall be kept on the basis of generally accepted accounting principles and in accordance with cost accounting standards promulgated by the Federal Office of Management and Budget Cost Accounting Standards Board and shall be available for audit by Owner or Owner's authorized representative on reasonable notice.

23.17 **Illegal Dumping:** Contractor shall ensure that it and all of its subcontractors prevent illegal dumping of litter in accordance with Title 5, Texas Health and Safety Code, Chapter 365.

23.18 **Interpretation:** Contractor agrees that the normal rules of construction that require that any ambiguities in the Contract are to be construed against the drafter shall not be employed in the interpretation of this Contract or any Job Order.

23.19 **Modification:** This Contract may only be modified by a written instrument executed by the parties to be incorporated into this Contract.

23.20 **Assignment:** Contractor may not assign this Contract or any of its rights, duties or obligations hereunder without the prior written approval of Owner. Any attempted assignment of this Contract by Contractor shall be null and void. Any Job Order made as a result of this Contract may not be transferred, assigned, subcontracted, mortgaged, pledged, or otherwise disposed of or encumbered in any way by Contractor without the prior written approval of Owner.

23.21 **Immunity:** Nothing in this Contract will be construed to waive, modify, or amend any legal defense available to Owner or any of Owner's past or present trustees, officers, agents, or employees, including, without limitation, governmental immunity from suit as provided by law.

#### XXIV. NOTICES

24.1 All notices, consents, approvals, demands, requests or other binding communications under this Contract shall be in writing. Written notice may be delivered in person to the designated representative of the Contractor or Owner; mailed by U. S. mail to the last known business address of the designated representative; or transmitted by fax machine to the last known business fax number of the designated representative. Mail notices are deemed effective three business days after the date of mailing. Fax notices are deemed effective the next business day after faxing.

24.2 The initially designated representatives of the parties for receipt of notices are as follows. Either party may change their designated representative for receipt of notices by written notice.

24.2.1 If to OWNER:

24.2.2 With Copies to:

24.2.3 If to Contractor: \_\_\_\_\_(Company Name)  
\_\_\_\_\_(Address)  
\_\_\_\_\_(City, State, Zip Code)  
\_\_\_\_\_(Contact Person)  
\_\_\_\_\_(Fax)

#### XXV. OTHER CONTRACTS

25.1 Owner may undertake or award other contracts for additional work at or near the site of Work under this Contract or a Job Order. Contractor shall fully cooperate with the other contractors and with Owner's employees and shall carefully adapt scheduling and performing the Work under this Contract

to accommodate the additional work, heeding any direction that may be provided by Owner. Contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or by Owner's employees.

25.2 Owner may award or enter into other contracts in its sole discretion, and nothing in this Contract may be construed to imply that Contractor has the exclusive right to provide job order contracting services to Owner.

#### **XXVI. INDEMNIFICATION**

26.1 **CONTRACTOR SHALL INDEMNIFY AND HOLD HARMLESS OWNER, ITS AGENTS, EMPLOYEES, TRUSTEES AND OTHER OFFICERS FROM ANY AND ALL CLAIMS, LIABILITY COSTS, SUITE OF LAW OR IN EQUITY, EXPENSES, ATTORNEYS' FEES, FINES, PENALTIES, OR DAMAGES ASSERTED AGAINST IT BY REASON OF THE INTENTIONAL OR NEGLIGENT ACTS OR OMISSIONS OF THE CONTRACTOR, ITS AGENTS, SERVANTS, SUBCONTRACTORS, AND EMPLOYEES IN THE PERFORMANCE OF THE CONTRACT.**

#### **XXVII. CONTRACT ORDER OF PRECEDENCE**

27.1 In the event of an inconsistency between provisions of this Contract, the inconsistency shall be resolved by giving precedence in the following order:

- a. Contract Modifications, if any;
- b. this Contract, including exhibits;
- c. Job Orders;
- d. Drawings;
- e. Specifications;
- f. The contract documents for Choice Partners Contract # \_\_\_\_\_, including any addenda thereto;
- g. Contractor's proposal submitted in response to the solicitation for Choice Partners Contract # \_\_\_\_\_.

#### **XXVIII. PARTY ANTITRUST VIOLATIONS**

28.1 Contractor assigns to Owner any claim for overcharges, resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to Contractor toward fulfillment of this Contract.

#### **XXIX. AUDIT OF RECORDS**

29.1 Pursuant to applicable laws, the Contractor shall retain and shall contractually require each subcontractor to retain all data, books, documents and other records ("records") relating to this Contract for a period of five (5) years after completion of this Contract or any Job Order issued hereunder. This includes all books and other evidence bearing on Contractor's costs and expenses under this Contract or the Job Order. All records shall be subject to inspection and audit by the Owner at reasonable times, without cost to Owner. Upon request, Contractor shall produce the original of any or all such records. If approved by Owner, photographs, microphotographs or any authentic reproductions may be maintained instead of original records and documents. If an audit or a compliance review has been announced, Contractor shall retain its records and accounts until such audit or compliance review has been

completed.

IN WITNESS WHEREOF, Owner and Contractor have executed and delivered this Contract effective as of the date identified above.

**OWNER**

By: \_\_\_\_\_  
Name: \_\_\_\_\_ Date \_\_\_\_\_  
Title: \_\_\_\_\_

**CONTRACTOR**

By: \_\_\_\_\_  
Name: \_\_\_\_\_ Date \_\_\_\_\_  
Title: \_\_\_\_\_

### **ATTACHMENTS**

The following Attachments are incorporated by reference for all purposes:

ATTACHMENT A:      Job Order Form  
ATTACHMENT B:      Prevailing Wage Rates

**ATTACHMENT A**

**JOB ORDER**

This Job Order is subject to all terms and conditions of the Master Contract ("Master Contract") between Harris County Department of Education (Owner) and \_\_\_\_\_ (Job Order Contractor) dated \_\_\_\_\_, and shall become part of the Contract upon execution by Owner. Any amendment or modification of this Job Order must be in writing and signed by both parties.

1. **Agreed Work**. The agreed Work shall include:

\_\_\_\_\_

If applicable, any additional agreed Work, technical specifications, and/or drawings shall be as set forth and listed in the Job Order Proposal attached hereto as Exhibit 1.

2. **Deadline for Performance**. Job Order Contractor shall complete performance of the Work specified herein on or before \_\_\_\_\_. The parties agree that the "per day" amount for Liquidated Damages, as defined in Master Contract, shall be \_\_\_\_\_. The Date of Commencement is: [select one] \_\_\_\_\_ the date on which both parties duly execute this Job Order or \_\_\_\_\_ will be fixed in a Notice to Proceed issued by the Owner.
3. **Place of Performance**. Contractor shall perform the Work specified herein at the following location(s) \_\_\_\_\_.
4. **Agreed Total Price**. The parties hereby agree that the Total Price for all Work under this Job Order is \$\_\_\_\_\_, as specified in the Job Order Proposal attached hereto as Exhibit 1.
5. **Owner's Authorized Representative**. Owner's authorized representative for acceptance of any completed Work under this Job Order is: \_\_\_\_\_.

**AUTHORIZED AND ACCEPTED:**

**JOB ORDER CONTRACTOR/**\_\_\_\_\_

By: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**OWNER/HARRIS COUNTY DEPARTMENT OF EDUCATION**

By: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT A: Contractor's Job Order Proposal, dated \_\_\_\_\_

**ATTACHMENT B**  
**OWNER'S ADOPTED PREVAILING WAGE RATES**

## CHANGE ORDER NO. #

This document is a Change Order ("Change Order") to the **Contractor Agreement/Job Order Contractor Agreement** between **Harris County Department of Education** ("HCDE") and \_\_\_\_\_, with an original Effective Date of \_\_\_\_\_, in the original Contract Sum of \$\_\_\_\_\_, for the Project known as \_\_\_\_\_, with an original Final Completion Date of \_\_\_\_\_ ("Contractor Agreement"). This Change Order is intended to supplement, amend, change, and/or modify *only* the Scope of Work, Contract Sum, and Contract Time as described herein. All other provisions of the Contractor Agreement remain unchanged.

<p>The party/parties requesting this Change Order is/are: _____</p> <p>The Effective Date of this Change Order is: _____</p>	<p>This Change Order includes the following (check all that apply):</p> <table style="width: 100%;"><tr><td style="width: 50%;">____ Increase</td><td style="width: 50%;">____ Decrease</td></tr><tr><td>____ Scope of Work</td><td>____ Scope of Work</td></tr><tr><td>____ Contract Sum</td><td>____ Contract Sum</td></tr><tr><td>____ Contract Time</td><td>____ Contract Time</td></tr></table>	____ Increase	____ Decrease	____ Scope of Work	____ Scope of Work	____ Contract Sum	____ Contract Sum	____ Contract Time	____ Contract Time
____ Increase	____ Decrease								
____ Scope of Work	____ Scope of Work								
____ Contract Sum	____ Contract Sum								
____ Contract Time	____ Contract Time								

### DESCRIPTION OF CHANGES

Note: Please indicate whether the change is an increase (+) or a decrease (–) from the Contractor Agreement. If there is no change to a particular item, please state N/A. Pursuant to TEX. EDUC. CODE § 44.411, a contract with an original contract price of \$1 million or more may not be increased by more than 25 percent; if a change order for a contract with an original contract price of less than \$1 million increases the contract amount to \$1 million or more, the total of the subsequent change orders may not increase the revised contract amount by more than 25 percent of the original contract price. Any documents supporting this Change Order, including any change proposal/request, drawings, estimates of cost, and/or any other documents as applicable, must be attached hereto and, upon such attachment, are incorporated herein by reference.

Change in Scope of Work	Change in Contract Sum	Change in Contract Time (# calendar days)
+/-	+/- \$	+/-
***Execution of this change order represents full and final costs of all direct, indirect, and delay costs for the scope of services identified hereon unless noted otherwise***		
<b>Total Change in Contract Sum</b>	+/- \$	
<b>Revised Final Completion Date</b>		___/___/20___

### APPROVALS

<b>Harris County Department of Education</b> HCDE approval is required on all Change Orders. Additional approval by HCDE's Board of Trustees is required <i>only</i> if this Change Order increases the original Contract Sum by more than \$50,000. See HCDE Policy CV (Local).			
Signature of Authorized Representative	Printed Name	Title	Date
Board President	Printed Name		Date

<b>Contractor</b> Contractor Name (as it appears in the Contractor Agreement): _____			
Signature of Authorized Representative	Printed Name	Title	Date

<b>Architect</b> Architect Name (as it appears in the Contractor or Architect Agreement): _____			
Signature of Authorized Representative	Printed Name	Title	Date

Upon the required approval(s) above and attachment of this Change Order to the Contractor Agreement, this Change Order is hereby incorporated in and made part of the Contractor Agreement.


# **CODE OF ETHICS for HCDE employees with purchasing functions responsibilities**

1. Avoid the intent and appearance of unethical or compromising practice in relationships, actions and communications. (CAA Local regulation)
2. Demonstrate loyalty to your employer by diligently following lawful instructions of your employer, using reasonable care and only authority granted. (See CH Local and authorization signatory form)
3. Refrain from any private business or professional activity that would create a conflict between personal interests and those of your employer (See CAA & CBB Local Regulation).
4. Refrain from soliciting or accepting money, loans, credits, discounts, gifts, entertainment, favors or services from present or potential suppliers (See DBD & DCD Local Regulation).
5. Handle confidential or proprietary information with due care and proper consideration of ethical and legal ramifications and governmental regulation (See GBA Legal Regulation).
6. Promote positive supplier relationships through courtesy and impartiality and attend to all customers in a prompt manner in accordance with legal and local policies. (See CH Local).
7. Know and obey the letter and spirit of laws governing the purchasing function and remain alert to the legal ramifications of purchasing decisions (CH Legal and Local Regulation).
8. Ensure that all segments of society have the opportunity to participate in government contracts.
9. Discourage purchasing's involvement in employers sponsored programs of personal purchases which are not business related (CAA Local).
10. Enhance the stature of the purchasing profession by improving your technical knowledge and adhering to the highest ethical standards (See CAA Local).

Division Budget Manager \_\_\_\_\_


Name of Division \_\_\_\_\_



	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <i>CI Local</i>
DATE DEVELOPED: 6/1/2018		
REVISED DATE: 6/1/2018		
SUBJECT: Selling of Technology Items		

The Harris County Department of Education purchases technology assets to be used during operations. The sale of obsolete assets will follow Ci local and the following procedures. These will be adhered to by the Facilities Division, the Technology Division and the Business Office.

1. The cost of the assets will include the invoice prices and any costs of installation.
2. All assets have an end of life, and it is the policy of the department to utilize all assets at least until the end of life.
3. Some assets are utilized beyond the end of life, and the replacement of such assets will depend on available funds.
4. If a division has approved budgeted funds to replace assets, the end of life asset will be reported to the fixed assets division under the facilities department for proper warehousing and sale as obsolete equipment.
5. If the division has replaced the assets and the obsolete asset is pending to be displaced, the division director may recommend to the technology department to sell the equipment to an interested employee in the division.
6. Division employees have first right of refusal for equipment in the division, and then other division employees will have the ability to submit an interest in writing to the division director.
7. All assets end of life will be based on the depreciation period as follows:
8. Computers costing above \$1,000 including all related costs will be depreciated over a 5-year period on a straight-line basis.
9. iPad including of related keyboard / covers will be depreciated over a 3-year period.
10. Printers above \$1,000 will be depreciated over a 5-year period, and under \$1,000 over a three-year period.

	<p style="text-align: center;"><b>ACCOUNTING PROCEDURES</b></p> <p style="text-align: center;">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p>
<p>DATE DEVELOPED: 06/1/2018</p>		<p>REVISED DATE: 6/1/2018</p>
<p>SUBJECT: Selling of Technology Items</p>		

11. Servers will be depreciated over 5 years and sold at an auction.

12. Software will be depreciated over 7 years, and it will not be eligible for resale.

Once the asset has been identified as obsolete / beyond the end of life, the procedure to be followed is:

- (a) Identify the asset tag number and the historical cost and the original date of purchase. This is important because it will allow the business office to determine that the asset has reached end of life. It is the policy of the department to sell end of life assets. Assets that have not reached the end of life asset must be sold at the net book value which is determined as Cost/years of service /60 months.
- (b) Once the asset tag number and asset has been identified, the technology division will seek an independent quote of the asset. The price will be in writing and it will be provided to the interested employee for approval and the business office for approval. Attached is a form that will be used to complete this process.
- © All assets must be cleaned by the technology department to make sure that no data is included in the asset and all software is removed. The technology division will sign the form to document this process.
- (d) The interested employee will pay for the asset and get a receipt from the business office prior to taking possession of the asset.
- (e) The Business Office will deposit the funds received in the sale of assets account to be used for replacement assets.
- (f) The Facilities Division will reduce the fixed asset and submit the annual deletions report to the Business Office.



Month: **February 27, 2019**

**HARRIS COUNTY DEPARTMENT OF EDUCATION  
CERTIFICATION OF E\_RATE PURCHASES**

**Purchase agreement for E-rate purchases**

Amount of  
purchase

\$57,000

**We have reviewed the attached E-rate purchase agreement and certify that:**

- 1. HCDE will qualify under USAC and SLP.**
- 2. HCDE will utilize the procurement method under RFP # 18/056KD-13 in effect as of the date of the purchase agreement**
- 3. HCDE will complete and sign the FCC Form 486 to USAC and approved prior to placement of order from vendor.**
- 4. HCDE will use the Form 474 service provider invoice method (SPI).**
- 5. HCDE will retain the purchase agreement for a period of 10 years.**
- 6. HCDE will receive 85% of cost from E-rate and 15% will be charged to the Head Start Fund or General Fund**
  - o Special Schools Budget for 15% = \_\_\_\_\_**
  - o Head Start Budget for 15% = \_\_\_\_\_**

**By signing this report, I further certify to the best of my knowledge and belief that the information provided on the purchase agreement information is true, complete, and accurate,**

**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)."**

---

Technology Division Budget Manager/Date

---

Head Start Division Budget Manager /Date

---

Special Schools Division Budget Manager /Date

---

Jesus J. Amezcua, PhD, CPA, RTSBA, Assistant Superintendent for Business Services /Date



## Approval to accept vendor with felony background

Date: \_\_\_\_\_

Vendor Name: \_\_\_\_\_

Address: \_\_\_\_\_

Is the vendor going to have contact with students? \_\_\_Yes\_\_\_ No\_\_\_

Justification for request:

\_\_\_\_\_  
\_\_\_\_\_

Division: \_\_\_\_\_

Requested by Division Director \_\_\_\_\_

Approved by ELT Member \_\_\_\_\_

Note: Attached is the disclosed felony conviction information.

For Business Office Staff:
----------------------------

Approval from Assistant Supt for Business \_\_\_\_\_ Yes \_\_\_\_\_ No

Approved by Superintendent \_\_\_\_\_ Yes \_\_\_\_\_ No

**FIRST AMENDMENT TO CONTRACT**  
**BETWEEN HARRIS COUNTY DEPARTMENT OF EDUCATION**  
**AND VENDOR NAME**

This First Amendment to the Contract, RFP # [REDACTED] ("First Amendment") is entered into effective as of the \_\_\_\_ day of \_\_\_\_\_, 2018, by and between Harris County Department of Education ("HCDE"), a Texas county school district, having its principal office and place of business at 6300 Irvington Blvd., Houston, Texas 77022, and VENDOR NAME ("Vendor"), having its principal office and place of business at VENDOR ADDRESS. HCDE and Vendor shall be referred to collectively herein as the "Parties."

WHEREAS, HCDE and Vendor entered into a Contract resulting from HCDE's procurement solicitation RFP # [REDACTED] ("Contract") on DATE, pursuant to which Vendor agreed to supply goods and/or services to HCDE and members of HCDE's purchasing cooperative, Choice Partners ("CP"), as outlined in the Contract;

WHEREAS, the Contract provides, "No amendment of this Contract shall be permitted unless and until first approved in writing by HCDE/CP and, if necessary, the CP member(s), and no such amendment shall have any effect unless and until a written amendment to this Contract is executed by the HCDE Superintendent or his designee after any necessary approvals have been obtained from the HCDE Board of Trustees;"

WHEREAS, HCDE and Vendor desire to amend the Contract as stated in this First Amendment; and

WHEREAS, this First Amendment has been duly approved by Vendor and by an authorized representative of HCDE.

NOW, THEREFORE, in consideration of the mutual promises and undertakings and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. The Parties agree to renew the Contract for an additional one-year term, for the period of DATE to DATE.
2. The Contract's Section 4.2 "Market Basket Survey" is hereby deleted in its entirety and is replaced with the following:

**4.2. Market Basket Analysis.** HCDE/CP reserves the right, in its sole discretion, to use a "Market Basket Analysis" method, as that term is defined by applicable USDA/TDA regulations and guidance. The Market Basket Analysis sample is established to represent 75% of the total estimated value of the Contract. The most recent velocity/sales report(s) from HCDE/CP's current supplier(s) was used to project the balance of the year and adjusted for any estimated change in menu and participation for the following year. As a result, this list of [100] goods to be purchased under this Contract includes the top [60] goods purchased by dollar volume representing the 75% threshold. Prices for the remaining [40] goods listed in this Contract should also be included, though they will not be a part of the Market Basket Analysis. The Market Basket Analysis shall not be used for service or equipment contracts/procurement solicitations or for Fee-For-Service Processing contracts.

3. The Contract's Section 4.8 "Minority and Women's Business Enterprise (MWBE), Historically Under-utilized Business (HUB) and Small Business Enterprise (SBE) Participation" is hereby

**Commented [A1]:** If this amendment is being executed at a time other than renewal (i.e., mid-contract term), then this sentence should be deleted.

deleted in its entirety and is replaced with the following:

**Section 4.8 Minority and Women’s Business Enterprise (MWBE), Historically Under-utilized Business (HUB) and Small Business Enterprise (SBE) Participation.** HCDE/CP encourages the use of HUB, MWBE, and SBE both as prime and subcontractors. However, these entities must meet the same minimum standards and requirements as the prime contractor. It will be the responsibility of the prime contractor to pre-qualify any subcontractors offered as HUB, MWBE and SBE participants. Some CP members have specific goals for subcontracting requirements and will require that a plan be attached to meet their goals. The Vendor shall also indicate on their submitted proposals whether or not they are a HUB, MWBE, or SBE vendor and with whom they are certified, e.g., State, City, Federal, and attach a copy of the certificate(s) under “Response Attachments” section of the eBid system.

When federal funds are expended by HCDE or any CP member, Vendor is required to take all affirmative steps set forth in 2 CFR 200.321 to solicit and reach out to small, minority and women owned firms for any subcontracting opportunities, including:

- (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; and
- (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

4. The Contract’s Section 5.28 “Reporting” is hereby deleted in its entirety and is replaced with the following:

**Section 5.28. Reporting.** The Vendor shall provide HCDE/CP with a detailed monthly report showing the total dollar volume of all sales under this Contract for the previous month in Microsoft Excel format, in the format and with the information specified by HCDE/CP. Reports are due on the fifteenth (15) day of the month, after the close of the previous month and shall provide information regarding Purchase Orders during the previous month. Vendor is responsible for collecting and compiling all sales under this Contract from all CP members and submitting one (1) consolidated monthly report. The monthly report shall include, at a minimum, the date of each Purchase Order, Purchase Order number, CP member name, city/town, and Purchase Order total dollar amount.

The Vendor shall provide HCDE/CP with velocity/usage reports within five (5) business days of any request by HCDE/CP for such reports.

Reports shall be submitted in an electronic format to HCDE/CP at 6005 Westview, Houston, Texas 77055, or electronically mailed to [supplyreporting@choicepartners.org](mailto:supplyreporting@choicepartners.org).

5. The Contract’s Section 5.36 “New Products” is hereby deleted in its entirety and is replaced with the

following:

**Section 5.36. New Products.** New products that meet the specifications detailed in the RFP and/or Contract may be added to this Contract, with prior written approval from HCDE/CP. Pricing of any new products shall be equivalent to the percentage discount or proposed prices for other similar products. Vendor may replace or add products to the contract if: the replacing products are equal to or superior to the original products offered or discounted in a similar degree or to a greater degree and the products meet the requirements of the RFP. No products may be added to avoid competitive procurement procedures. HCDE/CP may reject any proposed additions, without cause, in its sole discretion.

During the Term of the Contract, additional purchases not included in the original solicitation list and/or resulting awarded contract may become necessary and benefit HCDE/CP members. Vendor and HCDE/CP agree that the aggregate value of added purchases during each year of the Contract (if renewed) shall not exceed 10% of the estimated total value of the Contract. The total value of the Contract must be agreed upon, and the dollar value listed in the Contract and each renewal term of the Contract (if any). For purposes of this section, the total value of the Contract includes all contracts awarded as a result of the procurement solicitation to all vendors. For the renewal Term of this Contract, Vendor and HCDE/CP agree that the total value of the Contract shall be \$ [REDACTED] for the renewal Term identified herein. Additions of new products may be included in the awarded Contract list during the renewal of the Contract through an amendment to the Contract, and the total Contract value adjusted accordingly. For each renewal term of the Contract, the total actual value of the Contract in the preceding year and the additional new product(s) made during that Term will be the basis for determining the maximum dollar amount (not to exceed 10%) of the additional new product(s) that will be allowed during the next Contract renewal term.

**Commented [A2]:** If this amendment is being executed at a time other than renewal (i.e., mid-contract term), then the phrase "renewal Term identified herein" should be deleted and replaced with "period of DATE to DATE" (inserting specific dates – for example, effective date of the amendment through the end of the current term).

6. Except as expressly amended by this First Amendment, the Contract shall continue in full force and effect, according to its original terms.
7. Terms that are in capital letters used in this First Amendment shall have the meanings given to them in the Contract.
8. The parties agree that this First Amendment may be delivered in multiple counterparts, each of which shall have the same effect as an original, and may be executed and delivered electronically.

IN WITNESS WHEREOF, the authorized representatives of the Parties have executed and delivered this First Amendment with effect as of the day and year first above written.

Harris County Department of Education

**VENDOR NAME**

\_\_\_\_\_  
James Colbert, Jr.  
County School Superintendent

\_\_\_\_\_  
Authorized Representative of Vendor

\_\_\_\_\_  
Printed Name  
\_\_\_\_\_



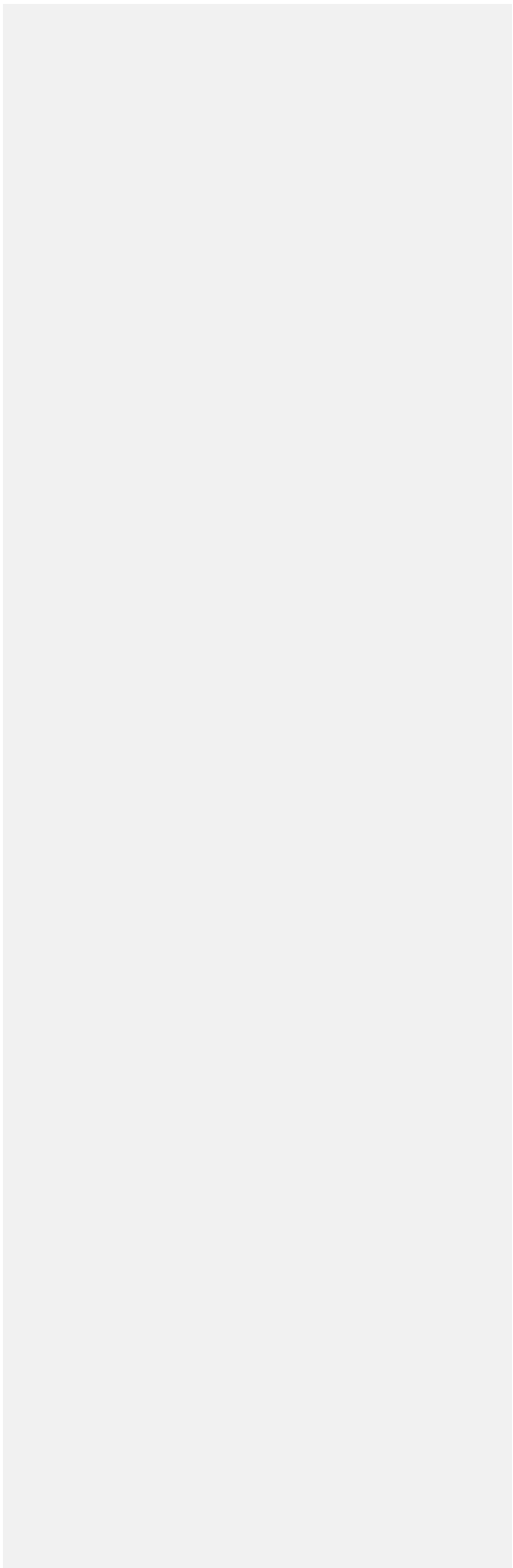
\_\_\_\_\_

Date

Title

\_\_\_\_\_

Date





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

**Request for Solicitation (RFP, RFQ, CSP, etc.) for Internal  
Purchasing**

**Date:** \_\_\_\_\_

**Requesting Division:** \_\_\_\_\_

**Proposal Description:** \_\_\_\_\_

**Purpose for proposal:** \_\_\_\_\_  
\_\_\_\_\_

**Timeline**

**Request received in Purchasing**

**Board Approval Meeting**

March 1 - 31	May or June
April 1 - 30	June or July
May 1 - 31	July or August
June 1 - 30	August or September
July 1 - 31	September or October
August 1 - 31	October or November
September 1 – 30	November or December
October 1 – 31	December or January
November 1 - 30	January or February
December 1 - 31	February or March

**\*Board approval will be determined by the date Purchasing receives the request and any other circumstances surrounding the solicitation.**

**(Attach the scope of work and any other supporting documentation and submit to the Purchasing Director via inter-office mail).**

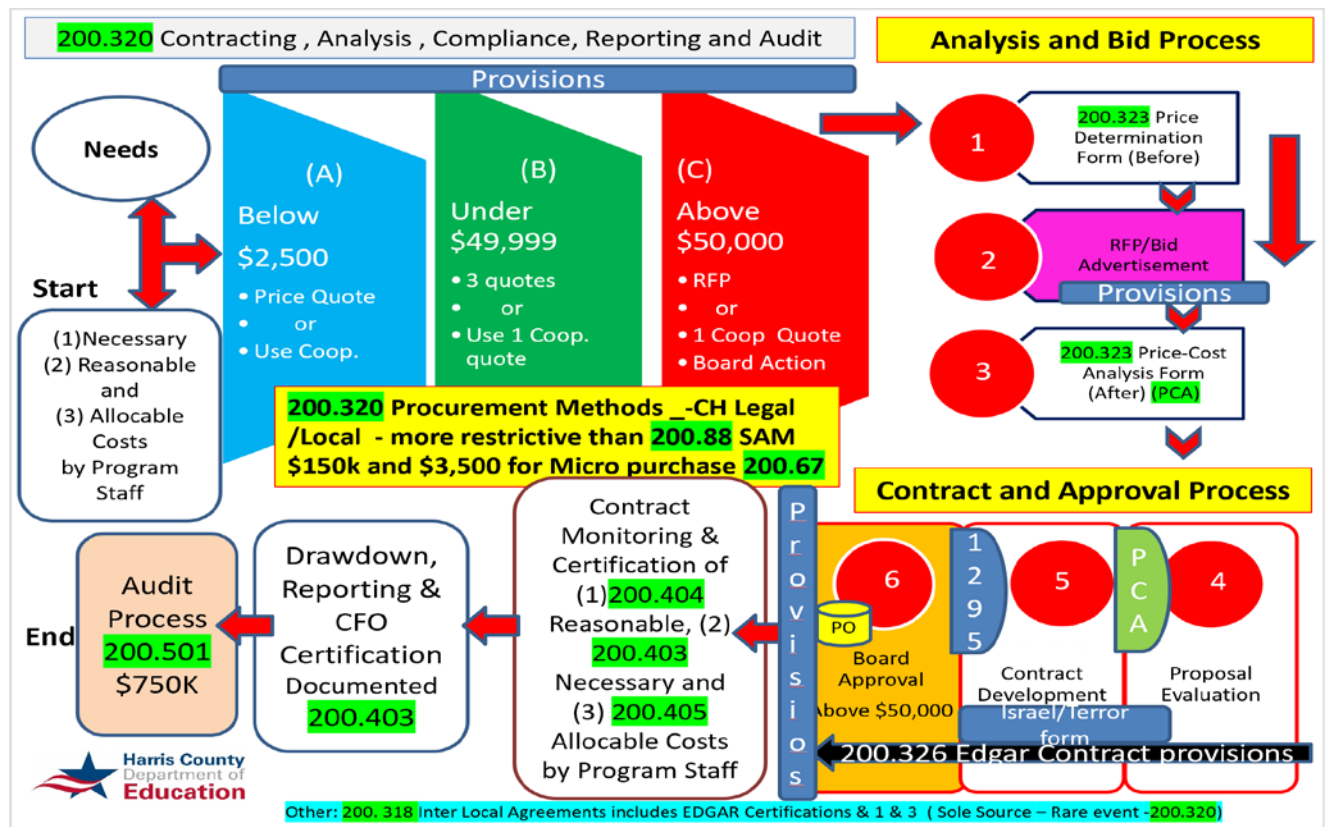
**Approved:** \_\_\_\_\_  
**Budget Manager** **Date**

**Approved:** \_\_\_\_\_  
**Purchasing Director** **Date**

## Requesting a Bid-RFP Process




- Internal Purchasing RFPs follow this process and then the Analysis and Bid Proicess.
- RFPs for Choice are submitted directly to the Purchasing Liaison and coordinated to follow the Analysis and Bid/RFP Process.



## **Contracts**


The Contracts Manager is responsible for ensuring that all contracts are accounted for, distributed and in compliance with all state, local and federal regulations.

	<p style="text-align: center;"><b>PROCUREMENT PROCEDURES</b></p> <p style="text-align: center;">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p>
DATE DEVELOPED: 5/19/2008		
REVISED DATE: 1/12/2016		
SUBJECT: GENERAL CONTRACT GUIDELINES		

1. Contracts are issued for professional services, contracted services, speaker agreements, service agreements, leases, memorandums of understanding, interlocal contracts, etc.
2. The Purchasing Division Assist Divisions with the drafting of contracts.
3. The Purchasing Division assists where the division needs help in developing structure, language, and/or review of 3<sup>rd</sup> party contract.
4. Divisions are responsible for submitting contracts to Purchasing for processing and approval by Board (if necessary) and signed by Assistant Superintendent for Business Services or Superintendent (see sample contracts).
5. Sample contracts and Contract Processing Form can be found on the HCDE Portal under Purchasing > Contracts.
6. Generally, contracts are for services that are done over a period of time in which the responsibilities are clearly defined or distinguishable.
7. All expenditure contracts must be sent to the Purchasing Division with a complete Vendor Packet (W-9, Felony Conviction Notice, Conflict of Interest Questionnaire, Senate Bill 9 Contractor Certification), Vendor Certification Forms, and Resume and EICC Checklist, if applicable. Failure to provide these at time of submittal will result in a contract processing delay.
8. A Purchase Order is considered a contract; therefore, any expenditure that is paid with a purchase order is covered by the Purchase Order terms and conditions.
9. One-time purchases for personal property should use a Purchase Order.
10. Any expenditure that will be sent to Business Office with a Payment Authorization (PA) and is being paid out of the 62XX-XXX budget object code must have a contract attached for processing.
11. Contracts should be signed as follows:
  - a. Expenditure contracts should be signed by the Assistant Superintendent of Business Services
  - b. Interlocal contracts should be signed by the Superintendent
  - c. Revenue contracts should be signed by the authority equal to the other party's authorized signature (i.e. Superintendent for Superintendent, Asst.

Superintendent for Asst. Superintendent, CFO for Asst. Superintendent, etc).

12. All expenditure contracts must be signed before going to the Board except where the contract presented was originated by the other party.
13. Changes to contracts should be made in blue ink, strike through the item, and insert two lines for each party to initial.
14. A checklist for reviewing contracts is available; refer to it to ensure that the contract has favorable terms and conditions to HCDE.

	<p align="center"><b>PROCUREMENT PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p>
<p>DATE DEVELOPED: 11/15/2006 <span style="float: right;">REVISED DATE: 1/12/2016</span></p>		
<p>SUBJECT: STEPS TO CREATE A NEW CONTRACT</p>		

Purchasing provides the tools for you to customize a contract to fit your division's needs. Refer to the HCDE portal for the latest updated contracting tools and note that:

- A good contract protects HCDE interests.
- A good contract proactively answers all the questions HCDE and the Other Party might have during and after the contracting period.

The following tools are available on the HCDE Portal under Purchasing > Contracts :

- Contract Formatting Instructions
- Checklist for Reviewing Contracts
- Contract Forms
- Contract Clauses
- Sample Contracts

Step 1: Division:

- Determine the type of contract to use (see sample contracts on the HCDE Portal under Purchasing > Contracts)
- Create new contract
  - Follow Contract Formatting Instructions
  - Review terms and conditions (follow the Contract Checklist, if necessary)
  - Insert additional terms, if necessary (included under Contract Clauses)
    - If assistance is needed from the Purchasing Division:
      - Contact the Contracts Manager
      - Send contract to Contracts Manager for review
      - Make changes suggested by the Contracts Manager
- Send completed contract to other party for signature
- Once signed contract is received, prepare a Contract Processing Form and submit to the Contracts Manager along with the Budget Manager's signature, executed contract, vendor packet, and EEIC Checklist and Resume, if required

Step 2: Contracts Manager (during the contract development process):

- Understand Division's contracting needs
- Review contract and forms
- Log contract into the Portal – Contract Master List

- Consult with Assistant Superintendent for Business Services and Legal Counsel, if necessary
- Return contract to Division within three (3) business days, unless there are issues to resolve

Step 3: Division (Once signed contract is received from other party):

- Create agenda item in the BASS System (if board approval is required)
- Send contract originals to the Contracts Manager in the Purchasing Division along with the completed, signed Contract Processing Form.

Step 4: Contracts Manager:

- If Board Approval is necessary:
  - Review contract and agenda item in BASS for completeness
  - Hold for Board Approval
  - Obtain appropriate HCDE signature, if approved by Board
- If Board Approval is not necessary:
  - Review for completeness
  - Obtain appropriate HCDE signature

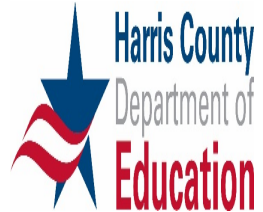
Step 5: Contracts Manager:

- Send signed copy to Division
- Log contract on the Purchasing Portal under Master Contract List
- Scans contract to HCDE Portal Master Contract List
- Files HCDE signed original in Purchasing

Step 6: Division:

- Send signed contract to Other Party (Note: If other party's signature is pending, send signed contract to other party and forward complete executed contract to the Contracts Manager once received; Contracts Manager follows Step 5)



	<p align="center"><b>PROCUREMENT PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p>
<p>DATE DEVELOPED: 11/15/2006 <span style="float: right;">REVISED DATE: 5/03/2011</span></p>		
<p>SUBJECT: Contract Formatting Instructions</p>		

### **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

### **COMPLETENESS**

- 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

### **ACCURACY**

- 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)

### **TYPES OF CONTRACTS**


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
- Lease

- Memorandum of Understanding (MOU)
- Interlocal Contract
- Service Contracts
  - Professional Services
  - Consultant Services

#### **PAYMENT**

- Purchase Order
- Payment Authorization
  - IRS Form W-9, Felony Conviction Notice, Conflict of Interest Questionnaire, Senate Bill 9 Contractor Certification
  - Copy of Contract
  - Invoice

	<b>PROCUREMENT PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:
DATE DEVELOPED: 11/16/2006 <span style="float: right;">REVISED DATE: 5/21/2013</span>		
SUBJECT: Checklist for Reviewing Contracts		

The purpose of this checklist is to guide you when you are reviewing contracts from other parties or when you are building a contract for your division. A good contract answers any questions that may come up during the course of the contractual relationship (before, during, or after the contract term). It is our fiduciary responsibility to protect the Department's interests and to create complete contracts.

You are not required to submit this Checklist with the Contract. If you have any questions, contact Kendra Jackson at ext. 1744 or Bill Monroe at ext. 8242.

1.	<input type="checkbox"/> Yes <input type="checkbox"/> No	Is the contracting party's' Contract in a form approved by HCDE? If the answer is no, can it be converted to one? <b>STOP and contact Purchasing.</b>
2.	<input type="checkbox"/> Yes <input type="checkbox"/> No	Are the parties completely and clearly identified? Look for all of these: <ul style="list-style-type: none"> <li>• Corporate/individual names of other party</li> <li>• Authority of representative to sign</li> <li>• Point of contact for each party (name, address, email, telephone, fax)</li> <li>• HCDE division clearly identified as part of HCDE</li> </ul> <b>Only the Superintendent and/or the Assistant Superintendent of Business Services are authorized to enter into a contractual agreement (execute) on behalf of HCDE.</b>
3.	<input type="checkbox"/> Yes <input type="checkbox"/> No	Are there specific (month, day, year) beginning and ending term dates? <b>Answer must be "YES" otherwise stop and add term dates.</b>
4.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<u>Independent Contractor Clause</u> When HCDE contracts with a consultant or a company whose employees will be working with HCDE on a regular basis, HCDE should include in the contract a clause that indicates that the consultant or the company's employees are not employees of HCDE. Is there a clause that addresses this point?
5.	<input type="checkbox"/> Yes <input type="checkbox"/> No	Is the payment schedule (if appropriate) stated clearly and accurately? Do typed numbers match the digits?

6.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>Is the agreement with a party with which a member of the HCDE Board of Trustees is a stockholder or director?</p> <p><b>If the answer is Yes, the agreement MUST go to the Board of HCDE for approval.</b></p>
7.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>Is there any language that obligates HCDE to do any of these things:</p> <ul style="list-style-type: none"> <li>• indemnify,</li> <li>• waive liability of the other party,</li> <li>• make any warranty, waiver of statute of limitations or other time period in which actions may be brought?</li> </ul> <p>If there is indemnification, waiver, or warranty, DELETE this language by lining through it and initialing. Do not assume it cannot be eliminated.</p> <p><b>Bring this to the attention of Purchasing.</b></p>
8.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><u>Warranty/Indemnification</u></p> <p>When HCDE receives a product (ex: software) from a company, the company should warrant that they own the good or product that they are providing or licensing to HCDE and indemnify HCDE for any copyright/trademark violations.</p> <p>Is there a clause that addresses this point?</p>
9.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>If HCDE is going to be paying the other party, does the obligation to pay extend beyond the current fiscal year (i.e., after August 31st)?</p> <p>If the answer is 'Yes', there must be wording stating that the division's obligation to pay is conditioned upon appropriation of funds.</p> <p><b>Note: Do not include language stating that the division will use its best effort to secure the appropriation.</b></p>
10.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><u>Termination</u></p> <p>Is the termination clause consistent with the purpose of the agreement? A termination clause is useful to give HCDE legal basis to get out of a contract for reason. There may be some contracts where HCDE does not want the other party to have this out.</p>
11.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>Are the events that are considered to be a default listed? Are they clear and specific?</p>
12.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>Is there a method described for providing notice of default and a chance to cure?</p>
13.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>Are the rights and obligations of each party set out clearly?</p>
14.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>Are the time for performance and the place of performance clearly identified?</p>
15.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>Is either party required by the contract to have insurance? If so, is HCDE named as an additional insured?</p>

		<p>Must receive proof of insurance and notification of any changes in coverage. How and when?</p> <p><b>ALL CONTRACTS WITH INSURANCE LANGUAGE IN THEM MUST BE BROUGHT TO THE ATTENTION OF THE RISK MANAGER, AND SIGNED OFF ON BEFORE SUBMITTING THE CONTRACT FOR SIGNATURE. PURCHASING WILL CONTACT THE RISK MANAGER IF THE DIVISION HAS NOT-WE NEED TO COORDINATE ON THIS.</b></p>
16.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>If the other party's contract contains a confidentiality clause, <b>bring this to the attention of Purchasing.</b></p>
17.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><u>Governing Law and Venue</u></p> <p>This Contract shall be construed under the laws of the State of Texas and mandatory and exclusive venue in any action arising out of this Contract shall be in Harris County, Texas.</p> <p><b>If not, bring this to the attention of Purchasing.</b></p>
18.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><u>'No Third Party Beneficiary' Clause</u></p> <p>HCDE should include in contracts a clause that prevents third parties (not parties to the contract) from seeking benefits under the contract and consequently attorneys' fees for breach of contract.</p> <p>NOTE: The wording may seem a little awkward, but it was taken from a Texas Supreme Court case.</p>
19.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><u>Relationship of Parties</u></p> <p>This Contract does not create a joint venture or business partnership under Texas law. Is there a clause that addresses this point?</p>
20.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p>Miscellaneous: <b>Answer must be "YES" to all of the following:</b></p> <ul style="list-style-type: none"> <li>• Is it complete? Does it include ALL documents referenced in the Contract; attachments, exhibits, etc.?</li> <li>• <u>Entire Agreement</u>: This Contract constitutes the sole and entire agreement of the parties and supersedes any other oral or written understandings or agreements.</li> <li>• Does the signature page show all required signatures?</li> <li>• Does the contract state whether or not it is assignable?</li> </ul>
21.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><u>Severability</u></p> <p>Just because one clause of a Contract shall for any reason be held to be invalid or illegal, you may want the remainder of the Contract to be construed as if such invalid, illegal, or unenforceable provisions had never been contained in it. Is there a clause that addresses this point?</p>
22.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<b>IMPORTANT!</b>

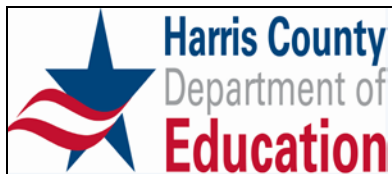
		Does the appearance of the agreement (spelling, spacing, typeface, etc.) represent HCDE and the division in the best possible manner?
23.	<input type="checkbox"/> Yes <input type="checkbox"/> No	Are all parties to this contract licensed to do business in the State of Texas?

# Memorandum

**Date:** August 3, 2017  
**To:** All HCDE Employees  
**From:** Purchasing Division  
**Re:** Contract Processing

Effective immediately, all expenditure contracts need to be signed by Jesus Amezcua, Assistant Superintendent – Business Services. Please update any contract templates you may have on your local hard drive or within your division.

Secondly, all expenditure contracts must be sent to the Contracts Manager and a completed Vendor Packet (signed set of W-9, Conflict of Interest Questionnaire, Felony Conviction Notice, Vendor Certification forms, and Senate Bill 9 Contractor Certification forms) must be sent to the Purchasing Specialist. All three (3) of these documents have been attached to this email and can also be found on the HCDE Portal at Purchasing\Contracts\Contract Processing.



## PROCUREMENT PROCEDURES

HARRIS COUNTY DEPARTMENT OF EDUCATION

Reference:

DATE DEVELOPED: 11/16/2007

REVISED DATE: 1/12/2016

SUBJECT: CONTRACT PROCESSING FORM INSTRUCTIONS

**Please use this guide when preparing contracts and CPF's to submit to Purchasing. Any contract sent without a CPF form will be returned to the division. Please obtain signatures for all expenditure contracts from the other contracting party prior to submitting the contract for processing. (The exception would be if the contract originates with the other contracting party).**

The CPF is available in the HCDE portal under Purchasing\Contracts\Contract Processing. Follow these instructions:

- 1) Copy CPF to your computer
- 2) Complete all fields
- 3) Review for accuracy and completeness
- 4) Print out (preferably on 3-part NCR paper)
- 5) Send white and yellow copies to Purchasing, along with contracts for processing. Yellow copy will be returned to the division with the signed contracts once HCDE signatures have been obtained and contracts have been processed.  
Pink copy is for the division to keep at time of submission.

Forms without appropriate signatures or with missing information will also be returned for signatures before they can be processed.

Contracts requiring board approval must be sent on or before the Anticipated Agenda Item deadline from the Superintendent's office. (See schedule on HCDE Portal in the Superintendent's folder.)

**Contracts sent on Anticipated Agenda Day must be in Purchasing by 4:00 p.m. Please do not interoffice them that day as they might not be received until Monday morning.**

If you want your contract to be reviewed by your assigned division's Procurement Coordinator before being processed, please send a copy of the contract with an inter-office memo attached stating that you wish to have the contract reviewed before further processing by the division (or via email). Also, tell us if it is okay (or not) to write on the contract. Do not attach a CPF form for contracts to be reviewed. The CPF is for contracts ready to process for signatures.

### Section 1 – Contract Information

- ☐ Select the name of your division ("Funding Division")
- ☐ Type the date you are completing the CPF form
- ☐ Select the number of actual signed originals you are sending for processing – minimum of 2 originals. (If only 1 original, make a copy and put with the original.)
- ☐ Select the Source of Funds from the correct Budget Code (Drop Down Menu)
- ☐ Type the name of the ISD / Business / Person you are wanting to contract



- ☐ Is the person with whom you want to contract with from the above field already an employee with HCDE? If not, select No; if yes, please select the division the employee works in.
- ☐ Type a description of the services provided/received, i.e., workshop speaker, occupational therapy services, purchase of playground equipment, etc.
- ☐ Select the type of contract, i.e., Interlocal Contract, Consultant Services Contract, Speaker Agreement, etc. from the dropdown menu provided or type in box manually.
- ☐ Select the contract year, i.e., 2012-13, 2013-14, etc. from the dropdown menu.
- ☐ Select Yes or No that this contract is a contract that originates from an HCDE template.
- ☐ Type in the term of the contract, i.e., 8/1/13 – 7/31/14 (Date contract begins and ends)

## Section 2 – Contract Type

- ☐ Select the appropriate box for the type of contract you are submitting. (Please pay attention to whether the contract is revenue (money received), expenditure (money paid), non-monetary (no money involved), or grant acceptance.
- ☐ Type the total dollar amount of the contract in the space to the right of the line you checked. (Unless Non-Monetary)

## Section 3 – Compliance with Policy CH (Local) Purchasing Authority

- ☐ Select whether or not the Board has approved entering into the contract for political/lobbying services.

## Section 4 - Contract Review Checklist

- ☐ Check box #1 or #2 or #3.
- ☐ If box #2 is checked, the date the contract was reviewed must be entered on the CPF **and one of the remaining boxes (#3, #4, or #5) must also be checked according to what was found when the contract was reviewed.** Please use the Checklist for Reviewing Contracts found on the HCDE Portal at Purchasing\Contracts\Contract Processing.
- ☐ Check box #4 or #5 if the contract requires Technology or Facilities resources and obtain appropriate director's initials.

## Section 5 – Required Signatures

Obtain necessary director/budget manager's signature on CPF. Place "Sign Here" flags where you would like signatures on the contracts, and send to your designated Procurement Coordinator in Purchasing for processing.

**If you have any questions regarding contracts processing, please contact Kendra Jackson at 713-696-0744 or via email at [kjackson@hcde-texas.org](mailto:kjackson@hcde-texas.org).**




# HARRIS COUNTY DEPARTMENT OF EDUCATION

## CONTRACT PROCESSING FORM

SECTION 1 – CONTRACT INFORMATION			
Funding Division Click here to select division	Today's Date 10/10/11	# Original Contracts	Expenditure Budget Account Code (20 digits)
Contracting Party		Is Contracting Party an Employee of HCDE? If yes, which division? <input type="checkbox"/> No <input type="checkbox"/> Yes, Division:	
Description of Services:			
Type of Contract Click here to select type of contract.	Contract Fiscal Year Select one.	HCDE Contract?	Term From: 10/12/2011 To: 10/21/2011
SECTION 2 – CONTRACT TYPE			
Click here to select type of contract		Amount:	
SECTION 3 – CONTRACT REVIEW CHECKLIST			
<input type="checkbox"/> This contract was previously reviewed by HCDE attorney ( <i>Note that all templates have been reviewed by attorney</i> ) – <b>Skip to Section 4</b>			
<input type="checkbox"/> This contract was NOT previously reviewed by HCDE attorney ( <b>complete fields below</b> ) Date I reviewed contract using the Contract Review Checklist: Exceptions Found? Click here to select one.			
<input type="checkbox"/> This contract was reviewed by Buyer.			
<input type="checkbox"/> This contract was reviewed by Technology _____ (initials)			
<input type="checkbox"/> This contract was reviewed by Facilities _____ (initials)			
SECTION 4 – REQUIRED SIGNATURES			
<i>I certify to the best of my knowledge that the information contained in this document is correct and complete. I further certify that I am ensuring that the program and all activities related to the program will be conducted in accordance with all applicable federal, state, and local laws including regulations and contract guidelines created to ensure accomplishment of this objective. <u>Acknowledge by checking box and signing below.</u></i>			
Employee Completing Contract Review Checklist	Date	Funding Division Director	Date
<input type="checkbox"/>		<input type="checkbox"/>	
Submit a two-part NCR copy to Purchasing along with the signed original contracts			

FOR PURCHASING DIVISION USE ONLY:	
Contract Reviewer:	Date:
<input type="checkbox"/> Felony Conviction <input type="checkbox"/> CIQ <input type="checkbox"/> W-9 <input type="checkbox"/> SB9 <input type="checkbox"/> Resume <input type="checkbox"/> EICC Checklist	
<input type="checkbox"/> Board Action Item – <input type="checkbox"/> Revenue <input type="checkbox"/> Expenditure <input type="checkbox"/> Grant <input type="checkbox"/> ILC <input type="checkbox"/> Board Information Item Date: _____ <input type="checkbox"/> Contract Approved by Board Date: _____ <input type="checkbox"/> Contract Signed by Superintendent Date: _____ <input type="checkbox"/> Expenditure Contract (For Approval Only) Date: _____	<input type="checkbox"/> Signed by Assistant Superintendent Date: _____ <input type="checkbox"/> Returned to Division or: _____ Date Returned: _____ <input type="checkbox"/> Additional Signatures Required – Return one original to Purchasing when obtained
<b>NOTES:</b>	

	<p style="text-align: center;"><b>PROCUREMENT PROCEDURES</b></p> <p style="text-align: center;">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p>
<p>DATE DEVELOPED: 11/18/2005</p>	<p>REVISED DATE: 5/03/2011</p>	
<p>SUBJECT: CONTRACT CLAUSES</p>		

The following titles are fairly interchangeable:

- Contract
- ILC (Interlocal Contract)
- Agreement or LOA (Letter of Agreement)
- MOU (Memorandum of Understanding)

and there are others. Each contracting situation is unique. You will want to use a combination of the clauses listed below; whatever makes the agreement complete.

How to use this document: Sample clauses are typed in plain script.  
*Discussion of the clause is highlighted and in italics.*  
**Places where information needs to be added are bolded.**  
 November 18, 2005: Includes Attorney's notes.

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 HCDE interests and to be fair and equitable.

### ALPAHBETICAL LIST OF CLAUSES

Amendment	Intellectual Property Rights
Assignment	Introductory Paragraph-Interlocal Agreement
Changes	Introductory Paragraph-Contract
Compensation	Non-Appropriation of Funds
Completion & Liquidated Damages	Non-Completion of Contract
Confidential Data	Non-Exclusivity
Conflict of Interest	Notice
Contractor Status	Payment Bond or Performance Bond
Entire Agreement	Property Warranty/Indemnification
Examination of Records	Publication Rights
Felony Conviction Notice	Purpose
Force Majeure	Recitals
Funding Clause	Review of Progress
Governmental “Funding Out” Clause	Scope of Work
Governing Law	Services to be Provided
Hold Harmless-Speaking Engagement	Severability
Incidental Sales	Signature

Indemnification-Patent, Trademark, or Copyright  
Independent Contractor Status  
Insurance Requirements

Sole Agreement  
Term  
Termination  
(No) Third Party Beneficiary Clause  
Venue

CLAUSE/DESCRIPTION	SAMPLE WORDING
Amendment	This Contract may be amended only by the mutual agreement of the parties, in a writing to be attached to and incorporated in this Contract.
Assignment	Neither this Contract nor any duties or obligations under it shall be assignable by Contractor without the prior written acknowledgment and authorization of HCDE.
Changes	During the Term of the Contract, HCDE reserves the right to make changes to the work the Contractor is required to provide pursuant to this Contract. All such changes shall be made in writing and agreed to by both parties.
<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>
<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</li> </ol>

	agrees that time is of the essence in performance of the contract. Bidder and HCDE understand and agree that a breach of contract as to completion on time will cause damage to HCDE and the relevant End User, and that such damages would be difficult or impossible to measure.
--	--

CLAUSE/DESCRIPTION	SAMPLE WORDING
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> <p>3. The Contractor shall document and immediately notify HCDE of any conditions of force majeure, which would cause exception to assessment of liquidated damages.</p>
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	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.
Contractor Status	See Independent Contractor Status.

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.
Felony Conviction Notice  <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>	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.  See <u>Felony Conviction Notice</u> form.  (IMPORTANT: This section does not apply to a publicly held corporation.)
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.
Funding Clause  <i>For Contracts that are contingent on the receipt of grant funds should have a clause so stating.</i>	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.  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.

CLAUSE/DESCRIPTION	SAMPLE WORDING
<p>Governmental "Funding Out" Clause</p> <p><i>Contracts and Leases that are contingent on the receipt of revenues should have a clause so stating.</i></p>	<p>HCDE/Lessee anticipates it will receive revenues in an amount equal to the costs of services to be provided under this Contract/Lease. Notwithstanding anything to the contrary in this contract, this Contract/Lease is contingent on HCDE/Lessee receiving such revenues. In the event HCDE/Lessee does not receive those revenues, HCDE /Lessee may terminate the Contract/Lease or reduce the scope of services provided under this Contract/Lease without pecuniary risk or penalty, at its sole discretion.</p>
<p>Governing Law</p>	<p>This Contract shall be governed by and construed in accordance with the laws of the State of Texas. (May be combined with Venue.)</p>
<p>Hold Harmless- Speaking Engagement</p>	<p>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.</p>
<p>Incidental Sales</p>	<p>The Contractor shall have the sole right to sell or cause to be sold books authored by the Contractor on the Premises.</p>
<p>Indemnification &amp; Insurance- &lt; Speaker Agreement &gt;</p>	<p>The Speaker agrees that physical activity is not required of participants.</p> <p>AND</p> <p>Speaker agrees that Speaker carries liability insurance covering acts or omissions of Speaker with an approved company naming HCDE as the primary insured (wouldn't it be as good to say "naming HCDE as an additional insured").</p> <p>OR</p> <p>Speaker hereby indemnifies and holds HCDE harmless from and against any and all loss, damage or claim against HCDE, arising from Speaker's acts or omissions in connection with the speaking engagement described in this agreement.</p> <p style="text-align: right;">_____ Signature/Hold Harmless</p>
<p>Indemnification-Patent, Trademark, or Copyright</p>	<p>Contractor shall protect, hold harmless and indemnify HCDE from any and all, loss, claims, assessments, suits in law or in equity, expenses, attorney's fees, and damages arising from Contractors actual or alleged infringement of any United States or foreign patent, trademark or copyright in connection with this contract.</p>

CLAUSE/DESCRIPTION	SAMPLE WORDING
<p>Independent Contractor Status</p>	<p>It is the intention of the parties that Contractor be an independent contractor and not an employee, agent, joint venturer, or partner of HCDE and nothing in this Contract shall be interpreted or construed as creating or establishing the relationship of employer and employee, agent, joint venturer or partner, between HCDE and Contractor or</p> <p>HCDE and any of Contractor's agents, employees, or sub- contractors.</p> <p>Contractor assumes exclusively the responsibility for the acts of its employees, subcontractors, if any, agents or partners as they relate to the services to be provided in connection with this Contract during the scope and course of their employment. Contractor, its agents, subcontractors, joint venturers, partners and employees, shall not be entitled to any rights or privileges of HCDE employees and shall not be considered in any manner to be HCDE employees.</p>
<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, <b>works made for hire</b>, 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, <b>works made for hire</b>, 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 <b>such inventions, designs, improvements and discoveries deemed patentable by HCDE</b>.</p>
Introductory Paragraph - Interlocal Agreement	<p>Pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, the Interlocal Agreement/Contract (the "Agreement" or "Contract") is made and entered into between Harris County Department of Education ("HCDE") and <b><u>Governmental or Local Governmental entity</u></b> for the purpose of performing governmental functions and services and to state the terms, rights and duties of the Contracting parties <b><u>during the 20XX-20XX school year.</u></b></p>
Introductory Paragraph - Contract	<p>This Contract (the "Contract") is made and entered into by and between the Harris County Department of Education ("HCDE"), located at 6300 Irvington Blvd., Houston, Texas 77022 and <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.</p>

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	<p>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.</p>										
Non-Exclusivity	<p>Nothing in this Contract may be construed to imply that Contractor has exclusive right to provide HCDE these services. During the Term of the Contract, HCDE reserves the right to use all available resources to procure other professional services as needed and, in doing so, will not violate any rights of Contractor.</p>										
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 border="0" data-bbox="553 1297 1474 1472"> <tr> <td>HCDE</td><td>Contractor Name_____</td></tr> <tr> <td>Attn: Elaine Nichols *</td><td>Attn_____</td></tr> <tr> <td>CFO</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: Dr. John E. Sawyer, County School Superintendent OR Director of Purchasing</p>	HCDE	Contractor Name_____	Attn: Elaine Nichols *	Attn_____	CFO	Title_____	6300 Irvington Blvd.	Address_____	Houston, Texas 77022	City, State, Zip Code_____
HCDE	Contractor Name_____										
Attn: Elaine Nichols *	Attn_____										
CFO	Title_____										
6300 Irvington Blvd.	Address_____										
Houston, Texas 77022	City, State, Zip Code_____										

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 close of the contract.</p> <p>Failure of Contractor to perform any services required by the contract within thirty (30) days of receipt of written demand for performance from the HCDE, or failure of Contractor to correct or replace defective goods or products within thirty (30) days from receipt of written demand therefore, may constitute a total breach of contract, and may cause contract to terminate. In the event of such termination the performance bond shall be retained by HCDE as liquidated damages, based upon mutual agreement and understanding between Contractor and HCDE at the time the contract is awarded.</p>
<p>Product Warranty/ Indemnification</p>	<p>Contractor warrants that is has good title or license to the <b>&lt; Product &gt;</b> provided to HCDE. Contractor further warrants that it has the right to license and does hereby license the use of <b>&lt; Product &gt;</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.</p>
<p>Publication Rights</p>	<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/DESCRIPTION	SAMPLE WORDING
Purpose	<p>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.</p>
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	<p>HCDE reserves the right to monitor to progress of Contractor.</p>
<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. <u>Exhibit A</u> contains the objectives of what is to be accomplished, specific limitations, format of any report, the extent, if any, to which assistance from the HCDE staff is required (and the conditions for such assistance), firm or estimated time schedules, submission of progress reports, identification of key personnel (and anticipated supporting personnel), equipment and facilities to be utilized, expenses Contractor expects to incur and for which Contractor expects to seek reimbursement from HCDE, fees and/or billing rates Contractor expects to charge HCDE, and (if applicable) the names of any subcontractors.</p>
Services to be Provided	<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 border="0"> <tr> <td><b>Contractor</b></td> <td>HCDE</td> </tr> <tr> <td>Name <b><u>Fill In Name of Co/Contractor</u></b></td> <td>Harris Co. Dept. of Education</td> </tr> <tr> <td>By: <b><u>Signature</u></b></td> <td>By: _____</td> </tr> <tr> <td>Title: <b><u>Fill In Title</u></b></td> <td>Title: _____</td> </tr> <tr> <td><b><u>Address</u></b></td> <td>6300 Irvington Blvd.</td> </tr> <tr> <td><b><u>City, State and Zip Code</u></b></td> <td>Houston, Texas 77022</td> </tr> <tr> <td><b><u>Telephone/FAX Number</u></b></td> <td>713-696-8250/713-696-0740</td> </tr> </table>	<b>Contractor</b>	HCDE	Name <b><u>Fill In Name of Co/Contractor</u></b>	Harris Co. Dept. of Education	By: <b><u>Signature</u></b>	By: _____	Title: <b><u>Fill In Title</u></b>	Title: _____	<b><u>Address</u></b>	6300 Irvington Blvd.	<b><u>City, State and Zip Code</u></b>	Houston, Texas 77022	<b><u>Telephone/FAX Number</u></b>	713-696-8250/713-696-0740
<b>Contractor</b>	HCDE														
Name <b><u>Fill In Name of Co/Contractor</u></b>	Harris Co. Dept. of Education														
By: <b><u>Signature</u></b>	By: _____														
Title: <b><u>Fill In Title</u></b>	Title: _____														
<b><u>Address</u></b>	6300 Irvington Blvd.														
<b><u>City, State and Zip Code</u></b>	Houston, Texas 77022														
<b><u>Telephone/FAX Number</u></b>	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/DESCRIPTION	SAMPLE WORDING
<p>Termination</p> <p><i>Not ALL this verbiage is required. Ask Business Services for assistance.</i></p>	<p>Either party for any reason upon thirty (30) days written notice may terminate this Contract without cause.</p> <p><b>OR</b>  HCDE may, by written notice, terminate this Contract if Contractor has defaulted in whole or in part, refuses or fails to comply with provisions of the Contract, fails to make progress and does not cure such failure after written notice within a reasonable period of time, or fails to perform the services within the time period specified or any written extension thereof. In such event, HCDE may obtain comparable services elsewhere and either deduct the costs of obtaining such services from any from any amount owed Contractor or Contractor shall reimburse HCDE for such costs incurred by HCDE.</p> <p><b>OR</b>  This Contract may be terminated prior to the expiration of the term hereof as follows:</p> <ul style="list-style-type: none"> <li>• By Contactor 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><u>AND</u></b>  If this Contract is terminated prior to the term date, and the Contractor has paid in full, HCDE will refund a prorated amount of the prepaid amount.</p> <p><b>OR</b>  If this Contract is terminated prior to the term date, and the Contractor has paid in full, no refund will be forthcoming.</p> <p><b>OR</b>  HCDE will be responsible for payment of services that have been accepted by HCDE up to the termination date.</p>
<p>No Third-Party Beneficiary Clause</p>	<p>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.</p>
<p>Venue</p>	<p>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.)</p>

**CONTRACTOR AGREEMENT  
BETWEEN  
HARRIS COUNTY DEPARTMENT OF EDUCATION AND  
[ENTER CONTRACTOR]**

This Contractor Agreement (“Agreement”) is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 201\_\_, by and between Harris County Department of Education, a county school district located at 6300 Irvington Boulevard, Houston, Texas 77022 (“HCDE”) and [ENTER CONTRACTOR], located at [ENTER CONTRACTOR’S ADDRESS] (“Contractor”). HCDE and Contractor are sometimes referred to as “Parties” or either may singularly be referred to as “Party.”

**WITNESS THAT:**

**WHEREAS**, Contractor was selected by HCDE and awarded Job/RFP No. [ENTER], to perform [ENTER] services;

**WHEREAS**, HCDE desires to contract with Contractor for [ENTER], in the total amount of [ENTER]; and

**WHEREAS**, the Parties desire to set forth the terms and conditions of their Agreement herein.

**NOW, THEREFORE**, in consideration of the mutual covenants, conditions, and obligations of the Parties set forth in the Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound do hereby agree as follows:

1. **Agreement Documents:** The Agreement shall include the following Agreement Documents: (1) the body of this Agreement; (2) the Exhibits attached to this Agreement; (3) the Construction Documents, if any, as defined herein; and (4) Valid Amendments made in accordance with Article 36.

2. **Definitions:** As used in the Agreement, the following terms shall have the meanings set forth below:

- a) The word “furnish” shall mean “to supply and deliver to the Project Site, ready for installation”.
- b) The word “install” shall mean “to place in position for service or use”.
- c) The word “provide” shall mean “to furnish and install, complete and ready for intended use”.
- d) The term “Architect” shall mean the architect, if any, retained by HCDE in connection with the Project. If an Architect is retained by HCDE, the Architect will have the authority to act on behalf of HCDE only to the extent provided in the Agreement.
- e) The term “Construction Documents” means any drawings, plans, specifications, or other construction documents prepared by, or approved in writing by, HCDE relating to the Project, and any Valid Amendments thereto. Construction Documents do not include drawings, samples, plans, specifications drafted by or for Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier, or distributor to illustrate some portion of the Work.
- f) The term “Contract Time” means the period of time, including authorized adjustments, allotted in the Agreement for Substantial Completion of the Work.
- g) The term “day” means a calendar day, including Saturday, Sunday, and holidays, unless otherwise specifically defined.

- h) The term “Project” means **[ENTER]**.
- i) The term “Project Site” means any physical location or locations where the Work is to be performed, including HCDE premises, any Work storage, parking, mobilization, or staging areas used to support the Work or perform any part of the Work.
- j) The term “Subcontractor” means a person or entity that has a direct contract with Contractor to perform a portion of the Work. The term “Subcontractor” is referred to throughout the Agreement as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term “Subcontractor” does not include any contractor who has a direct contract with HCDE (a “Separate Contractor”) or any subcontractors of a Separate Contractor.
- k) The term “Sub-subcontractor” means a person or entity that has a direct or indirect contract with a Subcontractor to perform a portion of the Work. The term “Sub-subcontractor” is referred to throughout the Agreement as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.
- l) The term “Substantial Completion” means the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Agreement such that HCDE can occupy or utilize the Work for its intended use.
- m) The term “Valid Amendment” means those supplements, amendments, changes, or modifications to the Agreement Documents that are made in accordance with Article 36.
- n) The term “Work” means the doing of all things described in, and all tasks reasonably related to the construction, work, and services required by the Agreement, whether completed or partially completed, and includes all other labor, materials, resources, equipment and services provided or to be provided by the Contractor to fulfill the Contractor’s obligations under Article 3. The Work may constitute the whole or a part of the Project and includes all supplies, skill, supervision, transportation services, and other facilities and things necessary, proper, or incidental to the carrying out and completion of the terms of the Agreement and all other items of cost or value needed to produce, construct, and fully complete the Scope of Work.

Technical terms not defined in the Agreement shall have the meanings given in AIA “Glossary of Construction Industry Terms” 1991 Edition. Technical terms not defined in the Glossary and used to describe items of Work and which so applied have a well known technical or trade meaning, shall be held to have such recognized meaning.

3. **Scope of Work:** Contractor agrees to perform the following Scope of Work for HCDE:  
**[ENTER DETAILED SCOPE OF WORK]**

3.1 Contractor shall confine operations at the Project Site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, lawful orders of public authorities, and the Agreement, and shall not unreasonably encumber the Project Site.

3.2 Contractor shall be responsible for any cutting, fitting, or patching required to complete the Work or to make parts of the Work fit together properly. All areas requiring cutting, fitting and patching shall be restored to the condition existing prior to the cutting, fitting, and patching, unless otherwise required by the Construction Documents.

Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of HCDE or Separate Contractors by cutting, fitting, patching or otherwise altering such



construction, or by excavation. Contractor shall not cut or otherwise alter such construction by HCDE or a Separate Contractor, except with written consent of HCDE and of such Separate Contractor, which consent shall not be unreasonably withheld. Contractor shall not unreasonably withhold from HCDE or a Separate Contractor the Contractor's consent to cutting or otherwise altering the Work.

3.3 Contractor stipulates and agrees that HCDE has no duty to discover any design errors or omissions in any drawings, plans, specifications, or other Construction Documents and has no duty to notify Contractor of same. By entering into any agreement with an Architect, HCDE does not warrant the adequacy or accuracy of any drawings, plans, specifications, or other Construction Documents.

Contractor shall maintain at the Project Site for HCDE one complete copy of the Agreement Documents, in good order and marked currently to indicate field changes and selections made during construction. These shall be available to HCDE upon completion of the Work as a record of the Work as constructed.

4. **Contractor's Representations and Warranties:** In addition to other representations and warranties contained in the Agreement, Contractor represents and warrants the following to HCDE:

- a) that Contractor shall perform all of the Work in a good and workmanlike manner and in accordance with the requirements of the Agreement and standard industry practices;
- b) that Contractor is financially solvent, able to pay its debts as they mature, and possessed of sufficient working capital to complete the Work and to perform its obligations under the Agreement;
- c) that Contractor is able to and will furnish all necessary and available resources, including the tools, materials, supplies, equipment, and labor required to timely complete the Work and to perform its obligations hereunder;
- d) that Contractor has, and acknowledges that HCDE is relying on Contractor's representation that it has, sufficient experience and competence to perform the Work;
- e) that Contractor is authorized to do business in the State of Texas and properly licensed by all necessary governmental, public, and quasi-public authorities having jurisdiction over Contractor, the Work, or the Project Site;
- f) that the execution of the Agreement and Contractor's performance thereof are within Contractor's duly-authorized powers;
- g) that the execution of the Agreement by Contractor is a representation that Contractor has visited the Project Site, become familiar with local conditions under which the Work is to be performed, and correlated personal observations with requirements of any Construction Documents. Contractor shall not be entitled to additional compensation for any additional work caused by its failure to carefully study or compare the Construction Documents prior to execution of the Work;
- h) that materials and equipment furnished under the Agreement will be of good quality and new unless the Construction Documents require or permit otherwise. Contractor further warrants that the Work will conform to the requirements of the Agreement and will be free from defects, except for those inherent in the quality of the Work any Construction Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by HCDE or HCDE's consultants, including any Architect HCDE may retain for the Project, Contractor shall furnish satisfactory evidence as to the kind and quality of materials and

- equipment;
- i) that the services of any Subcontractors or any Sub-subcontractors will conform to the representations and warranties set out above; and
- j) that Contractor will replace, repair, or re-perform Work at its sole expense until the Work meets the warranties set out above.

**5. Supervision and Construction Procedures:**

5.1 Contractor shall supervise and direct the Work, using Contractor's best skill and attention. Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Agreement, unless otherwise stated in the Agreement. If the Agreement gives specific instructions concerning construction means, methods, techniques, sequences or procedures, Contractor shall evaluate the Project Site safety thereof and, except as stated below, shall be fully and solely responsible for the Project Site safety of such means, methods, techniques, sequences or procedures. If Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, Contractor shall give timely written notice to HCDE and shall not proceed with that portion of the Work without further written instructions from HCDE. If Contractor is then instructed to proceed with the required means, methods, techniques, sequences or procedures without acceptance of changes proposed by Contractor, HCDE shall be solely responsible for any loss or damage arising solely from those HCDE-required means, methods, techniques, sequences or procedures.

5.2 Contractor shall be responsible to HCDE for acts and omissions of Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, Contractor or any of its Subcontractors.

5.3 Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

5.4 Contractor shall plan the sequence of operations for, and coordinate the routing of, any mechanical and electrical work, including both horizontal and vertical control.

5.5 Contractor shall, prior to constructing any concrete form work or excavation, verify the location and elevation of all existing improvements and grades that control or impact finish floor elevation and all flow lines of sanitary and storm sewers, gutters, ditches, roads, and depth of buried utilities shown in any Construction Documents and report to HCDE any discrepancies between documented locations and elevations and actual locations and elevations as found by Contractor, and request directions. To the extent that any portion of the Work requires a trench excavation exceeding five (5) feet in dept, in accordance with Texas Health and Safety Code Section 756.023(a). Contractor shall fully comply, and shall require any applicable Subcontractor to comply, with:

- a) The Occupational Safety and Health Administration standards for trench safety in effect for the construction of the Work.
- b) The special shoring requirements, if any, of HCDE; and
- c) Any geotechnical information obtained by HCDE for use by the Construction manager in the design of the trench safety system.
- d) Trench excavation safety protection shall be a separate pay item, subject to Article 36, and shall be based on linear feet of trench excavated. Special shoring requirements shall also be a separate pay item, subject to Article 36, and shall be based on the square feet of shoring used.

**6. Labor and Materials:**

6.1 Unless otherwise provided in the Agreement, Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

6.2 Contractor may make substitutions in the Work only with the consent of HCDE, after evaluation by HCDE and any consultant of HCDE and in accordance with a Change Order pursuant to Article 36.

**7. Contractor's Employees and Subcontractors:**

7.1 Contractor shall enforce strict discipline and good order among Contractor's employees and other persons carrying out the Work. Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

7.2 Contractor, Contractor's Subcontractors and Sub-subcontractors shall pay all workers not less than the general prevailing rate of the per diem wages for work of a similar character where the Project is located, as detailed in Exhibit A attached hereto and incorporated herein, and any applicable fringe benefits. The Project **DOES / DOES NOT** involve federal funds. Wages listed are minimum rates only. However, no claim for additional compensation above the Contract Sum shall be considered by HCDE because of payment of wage rate in excess of the applicable rate provided herein. Contractor and all Subcontractors shall comply with all state and federal laws including, but not limited to, laws of labor, minimum wage, safety, and equal employment opportunity.

7.3 Contractor shall obtain all criminal history information required by Texas Education Code Chapter 22 regarding its "covered employees", as defined below. If Contractor is required by Chapter 22 to obtain the information from the fingerprint-based Applicant Clearinghouse of Texas, then Contractor will subscribe to that person's criminal history record information. Before beginning any Work on the Project, Contractor will provide written certification to HCDE that Contractor has complied with the statutory requirements as of that date. Upon request by HCDE, Contractor will provide, in writing: updated certifications and the names and any requested information regarding covered employees, so that HCDE may obtain criminal history record information on the covered employees. Contractor shall assume all expenses associated with obtaining criminal history record information.

- a) For the purposes of this Section, "covered employees" means employees, agents or Subcontractors of Contractor or any Sub-subcontractor who has or will have continuing duties related to the services to be performed on HCDE's Project and has or will have direct contact with HCDE's students. HCDE will decide what constitutes direct contact with its students. "Disqualifying criminal history" means any conviction or other criminal history information designated by HCDE, or one of the following offenses, if at the time of the offense, the victim was under 18 years of age or enrolled in a public school; a felony offense under Texas Penal Code Title 5 Offenses Against Persons; an offense for which a defendant is required to register as a sex offender under Texas Code of Criminal Procedure Chapter 62; or an equivalent offense under federal law or the laws of another state.
- b) Contractor is expressly prohibited from allowing anyone who has a disqualifying criminal history onto the Project Site/to perform any of the Work.

7.4 HCDE may demand that Contractor immediately remove any employee, agent, or Subcontractor of Contractor who has been convicted of a felony or misdemeanor involving moral turpitude from HCDE's property or location where students are likely to be present. HCDE may also demand that Contractor immediately remove any employee, agent, or Subcontractor of Contractor who has engaged in harassing or criminal behavior from HCDE's property or location where students are likely to be present.

7.5 By appropriate agreement, written where legally required for validity, Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to Contractor by terms of the Agreement, and to assume toward Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which Contractor, by the Agreement, assumes toward HCDE. Each subcontract agreement shall preserve and protect the rights of HCDE with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, the benefit of all rights, remedies and redress against Contractor that Contractor, by the Agreement, has against HCDE. Where appropriate, Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Agreement to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Agreement. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

#### **8. Construction by HCDE or by Separate Contractors:**

8.1 HCDE reserves the right to perform construction or operations related to the Project with HCDE's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the Project Site under terms and conditions of the Agreement identical or substantially similar to these, including those portions related to insurance and waiver of subrogation.

8.2 HCDE shall provide for coordination of the activities of HCDE's own forces and of each Separate Contractor with the Work of Contractor, who shall cooperate with them. Contractor shall participate with other Separate Contractors and HCDE in reviewing their construction schedules. Contractor shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by Contractor, Separate Contractors and HCDE until subsequently revised.

8.3 Contractor shall afford HCDE and Separate Contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Agreement.

8.4 If part of Contractor's Work depends for proper execution or results upon construction or operations by HCDE or a Separate Contractor, Contractor shall, prior to proceeding with that portion of the Work, promptly report to HCDE apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of Contractor so to report shall constitute an acknowledgment that HCDE's or Separate Contractor's completed or partially completed construction is fit and proper to receive Contractor's Work, except as to defects not then reasonably discoverable by Contractor upon inspection.

8.5 Contractor shall reimburse HCDE for costs HCDE incurs that are payable to a Separate Contractor because of Contractor's delays, improperly timed activities, or defective construction.

8.6 Contractor shall promptly remedy damage Contractor wrongfully causes to completed or partially completed construction or to property of HCDE or Separate Contractors.

9. **Clean-up:** Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Agreement. At completion of the Work, Contractor shall remove waste materials, rubbish, Contractor's tools, construction equipment, machinery and surplus materials from and about the Project. Upon completion of the Work, Contractor shall provide final clean-up of all surfaces, without limitation, including but not limited to cleaning all surfaces, removing any adhesives and stickers, removing all trash and debris, and the like. If Contractor fails to clean up as provided in the Agreement, HCDE may cleanup and HCDE shall be entitled to reimbursement from Contractor.

10. **Access to the Work:** HCDE is not required to make any inspections to check the quality or quantity of the Work. However, Contractor shall provide HCDE and HCDE's consultants, including but not limited to any Architect retained by HCDE, access to the Work in preparation and progress wherever located. Neither the exercise of such access rights by HCDE, nor the failure on the part of HCDE to discover or reject non-conforming Work shall be deemed an acceptance of such non-conforming Work or a waiver of any rights under the Agreement.

11. **Contract Sum:** In exchange for Contractor's complete performance of its obligations under the Agreement, HCDE shall pay to Contractor the total sum of **[ENTER TOTAL DOLLAR AMOUNT]** (the "Contract Sum"). The Contract Sum covers the cost to Contractor of all materials and equipment necessary for the Work and all required taxes, less applicable trade discounts, Contractor's reimbursable bond costs, and Contractor's costs for unloading and handling at the Project Site, labor, installation costs, overhead, profit and other expenses associated with the Work. The Contract Sum is the total amount payable by HCDE to Contractor for performance of the Work under the Agreement.

12. **Progress Payments and Contractor's Statements:**

12.1 HCDE agrees to make progress payments on account of the Contract Sum due Contractor, based on the percentage of Work completed by Contractor as follows:

- a) Not later than forty-five (45) days from the date HCDE receives Contractor's Statement, ninety-five percent (95%) of the undisputed portion of the Contract Sum properly allocable to labor, materials, and equipment incorporated in the Work and ninety-five percent (95%) of the undisputed portion of the Contract Sum properly allocable to materials and equipment suitably stored at the Project Site or at some other location agreed upon in writing, for the period covered by the Application for Payment, less the aggregate of previous payments made by HCDE.
- b) Upon Substantial Completion of the entire Scope of Work, a sum sufficient to increase the total payments to ninety-five percent (95%) of the Contract Sum, less such amounts as HCDE shall determine for all incomplete Work and unsettled claims as provided in the Agreement

Contractor will furnish HCDE an itemized statement of completed portions of the Work and request payment therefore ("Statement"). Such Statement shall be supported by such data substantiating Contractor's right to payment as HCDE may require, such as copies of requisitions from Subcontractors

and material suppliers, and shall reflect retainage if provided for in the Agreement.

12.2 Contractor warrants that title to all Work covered by a Statement will pass to HCDE no later than the time of payment. Contractor further warrants that upon submittal of a Statement all Work submitted on a previous Statement and payments received from HCDE shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.

12.3 HCDE has the right to request written evidence from Contractor that Contractor has properly paid Subcontractors and material and equipment supplier's amounts paid by HCDE to Contractor for subcontracted Work. If Contractor fails to furnish such evidence within seven days, HCDE shall have the right to contact Subcontractors to ascertain whether they have been properly paid. HCDE shall not have an obligation to pay or to see to the payment of money to a Subcontractor, except as may otherwise be required by law.

12.4 A progress payment, or partial or entire use or occupancy of the Project by HCDE shall not constitute acceptance of Work not in accordance with the Agreement.

12.5 Unless Contractor provides HCDE with a payment bond in the full penal sum of the Contract Sum, payments received by Contractor for Work properly performed by Subcontractors and suppliers shall be held by Contractor for those Subcontractors or suppliers who performed Work or furnished materials, or both, under contract with Contractor for which payment was made by HCDE.

13. **Retainage:** HCDE shall withhold from payment(s) to Contractor a retainage of five percent (5%). The retainage shall be paid to Contractor upon Final Completion of the Work. Completion of the Work shall be considered final upon written approval by HCDE's designated representative.

14. **Taxes:** Contractor shall pay sales, consumer, use and similar taxes for the Work provided by Contractor that are legally enacted when the Agreement is executed, whether or not yet effective or merely scheduled to go into effect.

HCDE is exempt from the Texas Sales Tax on any purchase, lease or rental of tangible personal property and will issue Certificates of Exemption from the Texas State Sales Tax on materials furnished by Contractors on School Construction projects. Contractor shall abide by the sales tax exemption.

#### 15. **Permits, Fees, Notices, and Compliance with Laws**

15.1 Unless otherwise provided in Agreement, Contractor shall secure and pay for any building permits as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Agreement and legally required at the time the Agreement is executed.

a) HCDE shall pay directly to the governing authority the cost of any permanent property utility assessments and similar utility connection charges including domestic water line and irrigation meter costs, fire vaults, and development fees.

b) Contractor shall pay any temporary utility charges and inspection fees, unless specifically indicated otherwise herein. Contractor shall be responsible for obtaining all necessary permits and inspections.

15.2 Contractor shall comply with, and takes full responsibility for complying with, safety rules, guidelines, standards, and requirements promulgated by the Occupational Safety and Health Administration (OSHA) applicable to the Project. Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Agreement. Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss. Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities. Contractor is responsible for compliance with any requirements included in the Agreement regarding hazardous materials.

15.4 If Contractor performs any portion of the Work contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

15.5 **Concealed or Unknown Conditions:** If Contractor encounters conditions at the Project Site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in any Construction Documents or (2) unknown physical conditions of an unusual nature, that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in any Construction Documents, Contractor shall promptly provide notice to HCDE before conditions are disturbed and in no event later than 21 days after first observance of the conditions. HCDE will promptly investigate such conditions and, if HCDE determines that they differ materially and cause an increase or decrease in Contractor's cost of, or time required for, performance of any part of the Work, will negotiate an equitable adjustment in the Contract Sum or Contract Time, or both, with Contractor in accordance with Article 36. If HCDE determines that the conditions at the Project Site are not materially different from those indicated in the Construction Documents and that no change in the terms of the Agreement is justified, HCDE will promptly notify Contractor, in writing.

16. **Intellectual Property:** Contractor shall pay all royalties and license fees. Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold HCDE harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by Construction Documents, or where the copyright violations are contained in Construction Documents or other documents prepared by or for HCDE. However, if Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, Contractor shall be responsible for such loss unless such information is promptly furnished to HCDE.

17. **Construction Schedule:** Contractor has prepared and submitted a Contractor's construction schedule for the Work, attached hereto and incorporated herein as Exhibit B ("Construction Schedule"). The schedule shall be revised at appropriate intervals, in accordance with Article 36, as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Construction Documents, and shall provide for expeditious and practicable execution of the Work. Contractor shall perform the Work in general accordance with the Construction Schedule. Contractor shall submit to HCDE updated construction schedules as necessary to reflect appropriate schedule revisions and shall take whatever action is necessary and within its control to assure that the Project completion schedule is met.

18. **Professional Services:** Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Construction Documents for a portion of the Work or unless Contractor needs to provide such services in order to carry out Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. Contractor shall not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of Contractor by the Construction Documents, HCDE and HCDE's Architect, if any, will specify all performance and design criteria that such services must satisfy. Contractor shall cause such services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, and other documents prepared by such professional. HCDE shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications and approvals performed or provided by such design professionals, provided HCDE has specified to Contractor all performance and design criteria that such services must satisfy.

19. **Priority of Documents:** The Agreement shall prevail in case of an inconsistency among the Agreement, Job No. [ENTER], or Contractor's response to Job No. [ENTER]. Job No. [ENTER] shall prevail in case of an inconsistency with Contractor's response to Job No. [ENTER]. In the case of an inconsistency between the Agreement and Contractor's response to Job No. [ENTER] not clarified by a Valid Amendment, Contractor is deemed to have included the better quality or greater quantity of Work in the Contract Sum.

In the case of an inconsistency among the body of this Agreement (including Valid Amendments thereto), the accompanying Exhibits (including Valid Amendments thereto), and the Construction Documents (including Valid Amendments thereto), the provisions of the body of this Agreement shall control.

In the case of an inconsistency between the provisions of the Agreement and any Change Order not in accordance with Article 36, Contractor's work ticket, invoice, statement, purchase order, published rate schedule, or any other type of memoranda between HCDE and Contractor pertaining to the subject matter in the Agreement, the provisions of the Agreement (including Valid Amendments thereto) shall control.

Nothing in this Article prohibits Valid Amendments to be made in accordance with Article 36.

20. **Ownership of Construction Documents:** HCDE and/or HCDE's consultants, including but not limited to any Architect retained by HCDE, shall be deemed the authors and owners of their respective Construction Documents and will retain all common law, statutory and other reserved rights, including copyrights. Contractor, any Subcontractors, Sub-subcontractors, and material or equipment suppliers shall not own or claim a copyright in the Construction Documents. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with the Agreement and the Work is not to be construed as publication in derogation of HCDE's and/or HCDE's consultants' reserved rights.

Contractor, any Subcontractors, Sub-subcontractors and material or equipment suppliers are authorized to use and reproduce the Construction Documents provided to them solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Construction Documents. Contractor, any Subcontractors, Sub-subcontractors, and material



or equipment suppliers may not use the Construction Documents on other projects or for additions outside the scope of the Work without the specific written consent of HCDE and HCDE's consultants.

**21. HCDE's Right to Stop the Work and Right to Carry Out the Work:**

21.1 HCDE may temporarily stop the Work, at any time, for HCDE's convenience and without cause, for a period not to exceed two (2) weeks, upon three (3) days written notice to Contractor. The Work may be temporarily stopped for a period longer than two (2) weeks by a Valid Amendment in accordance with Article 36. If the Work is temporarily stopped at HCDE's request, the Contract Time shall be adjusted accordingly in accordance with Article 36.

21.2 If Contractor fails to correct Work that is not in accordance with the requirements of the Agreement or repeatedly fails to carry out Work in accordance with the Agreement, HCDE may issue a written order to Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of HCDE to stop the Work shall not give rise to a duty on the part of HCDE to exercise this right for the benefit of Contractor or any other person or entity, except as may otherwise be provided in the Agreement.

21.3 If Contractor defaults or neglects to carry out the Work in accordance with the Agreement and fails, within a ten-day period after receipt of written notice from HCDE, to commence and continue correction of such default or neglect with diligence and promptness, HCDE may, without prejudice to other remedies HCDE may have (including, but not limited to, termination of the Agreement), correct such deficiencies. In such case, an appropriate Change Order shall be issued, in accordance with Article 36, deducting from payments then or thereafter due Contractor the reasonable cost of correcting such deficiencies, including HCDE's expenses and compensation for additional services, if any, by HCDE's consultants, including but not limited to an Architect retained by HCDE, made necessary by such default, neglect or failure. If payments then or thereafter due Contractor are not sufficient to cover such amounts, Contractor shall pay the difference to HCDE.

**22. HCDE's Right to Occupy:** HCDE and Contractor agree that HCDE may occupy or use, without prejudice to the right of either Party, any completed or largely completed portions of the Project, notwithstanding the time for completing the entire Work or such portions may not have expired. Such beneficial occupancy and use shall not constitute Substantial Completion or HCDE's acceptance of any work not in accordance with the Agreement.

**23. Date of Commencement:** The date of commencement of the Work is **[ENTER]** Contractor shall not knowingly, except by agreement or instruction of HCDE in writing in accordance with Article 36, prematurely commence operations on the Project Site or elsewhere prior to the effective date of insurance required by Article 27 to be furnished by Contractor. The date of commencement of the Work shall not be changed by the effective date of such insurance.

**24. Date of Substantial Completion: [ENTER]. The Date of Final Completion is thirty (30) days after Substantial Completion.**

24.1 Time limits stated in the Agreement are of the essence of the Agreement. By executing the Agreement, the Contractor confirms that the Contract Time is a reasonable period for performing the Work. Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion and Final Completion within the Contract Time.

24.2 HCDE and Contractor agree that Contractor's failure to meet the deadlines established in

the Agreement will cause damage to HCDE, but such damage is difficult to establish. It is therefore expressly agreed, as a part of the consideration inducing HCDE to execute the Agreement, that Contractor's failure to achieve Substantial Completion and Final Completion by the agreed dates shall result in liquidated damages in the amount of \$100.00 per day for each and every day after the date of which Substantial Completion and Final Completion are to occur until Substantial Completion and Final Completion are achieved. Contractor agrees that HCDE may deduct liquidated damages from the final payment made to Contractor or from any compensation otherwise to be paid to Contractor. It is expressly understood that payment of liquidated damages in the amount of \$100.00 per day is agreed upon as a fair estimate of the pecuniary damages which will be sustained by HCDE in the event that the Work is not substantially completed or finally completed within the agreed times, or within the legally extended times, if any, otherwise provided herein. Said sum shall be considered as liquidated damages only and in no sense shall be considered a penalty, said damage being caused by additional compensation to personnel, for loss of interest on money and other miscellaneous increased costs, all of which are difficult of exact ascertainment.

24.3 When Contractor considers that the Work, or a portion thereof, which HCDE agrees to accept separately, is substantially complete, Contractor shall prepare and submit to HCDE a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of Contractor to complete all Work in accordance with the Agreement.

24.4 When Contractor considers that the Work is Finally Complete, Contractor shall prepare and submit to HCDE written notice that the Contractor finds the Work to be Finally Complete. Completion of the Work shall be considered final only upon written approval of Final Completion and acceptance of the Work by HCDE's designated representative. Final payment of the Contract Sum, constituting the unpaid balance of the Contract Sum, shall not be paid until the Work has been finally completed and accepted by HCDE's designated representative, in writing. Final payment shall be paid by HCDE to Contractor within thirty (30) days of HCDE's approval of Final Completion and acceptance of the Work.

24.5 If HCDE disputes a portion of any payment due to Contractor under the Agreement, HCDE may withhold any such disputed amounts, without interest, for a period of forty-five (45) days after such payment would otherwise have been due to Contractor, as long as HCDE makes a reasonable attempt to resolve the dispute with Contractor. If, after such forty-five (45) day withholding period, HCDE continues to dispute any portion of the payment, HCDE may continue to withhold any such disputed amount until the dispute is resolved, except that, if HCDE is found to have wrongfully withheld such disputed amount, Contractor shall be entitled to interest on the wrongfully withheld amount from the original date that payment of such amount was due to Contractor until the date HCDE pays such amount to Contractor in full. The interest rate under this section may not exceed the Judgment Rate published by the Office of Consumer Credit Commissioner.

24.6 If, within one year after the date of Final Completion of the Work, any of the Work is found to be not in accordance with the requirements of the Agreement, Contractor shall correct it, at Contractor's sole cost and expense, promptly after receipt of written notice from HCDE to do so. HCDE shall give such notice promptly after discovery of the condition. If Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from HCDE, HCDE may correct it in accordance with Article 21. Nothing contained in this Article 24.5 shall be construed to establish a period of limitation with respect to other obligations Contractor has under the

Agreement. Establishment of the one-year period for correction of Work as described herein relates only to the specific obligation of Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Agreement may be sought to be enforced, nor to the time within which proceedings may be commenced to establish Contractor's liability with respect to Contractor's obligations other than specifically to correct the Work.

25. **HCDE's Right to Terminate:** HCDE may terminate the Agreement, at any time, for HCDE's convenience and without cause upon thirty (30) days written notice to Contractor. If HCDE terminates the Agreement, Contractor shall only be paid for the Work actually performed prior to the effective date of the termination.

Upon receipt of written notice from HCDE of such termination for HCDE's convenience, Contractor shall immediately: (a) cease operations as directed by HCDE in the notice; (b) take actions necessary, or that HCDE may direct, for the protection and preservation of the Work; and (c) except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders. In case of such termination for the Owner's convenience, Contractor shall be entitled to receive payment for Work actually performed prior to the effective date of the termination.

26. **Payment and Performance Bonds:** Contractor shall furnish (1) a Statutory Performance Bond for contract amounts over \$100,000.00 in an amount equal to One Hundred Percent (100%) of the Contract Sum as security for the faithful performance of the Agreement and (2) a Statutory Labor and Material Payment Bond for contract amounts over \$25,000.00 in an amount not less than One Hundred Percent (100%) of the Contract Sum as security for the payment of all persons performing labor on the project under the Agreement and furnishing materials in connection with the Agreement. The Performance Bond and the Labor and Material Payment Bond may be in one or in separate instruments in accordance with local law and shall be delivered to HCDE not later than the date of execution of the Agreement. Contractor shall require the attorney-in-fact who executes the required bonds on behalf of the surety to affix thereto a certified and current copy of the power of attorney. The bonds shall be executed by a corporate surety in accordance with Texas Insurance Code 7.19-1.

27. **Insurance:**

27.1 At its sole cost and expense, Contractor shall purchase from and maintain, in a company or companies with not less than an "A" rating and meeting the minimum qualifications outlined in Texas Insurance Code § 3503.001 for insurance companies insuring work related to public entities, lawfully authorized to do business in the jurisdiction in which the Project is located, such coverage in the following limits, on an occurrence basis, with HCDE named as an additional insured, as follows:

- a) Builders' risk insurance in Contractor's and HCDE's names against loss or damage by fire or storm on the entire Work, including structures as well as materials and equipment adjacent thereto intended for use on the Project, in the amount of one hundred percent (100%) of the value;
- b) Workers' Compensation (with Waiver of subrogation to HCDE) Employer's Liability, including all states, U.S. Longshoremen, Harbor Workers and other endorsements, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, as required by statute and which meets the statutory requirements of Texas Labor Code Section 401.011(44) for all employees of Contractor providing services on the Project, for the duration of the Project Contractor shall comply with the requirements of Rule 28,

TAC Section 110.110, Reporting Requirements for Building or Construction Projects for Governmental Entities.

- c) Public liability in limits of not less than \$1,000,000;
- d) Property damage in limits of not less than \$1,000,000;
- e) Statutory and Bodily Injury by Accident: \$100,000 each employee. Bodily Injury by Disease: \$500,000 policy limit \$100,000 each employee;
- f) Commercial General Liability Occurrence Form including, but not limited to, Premises and Operations, Products Liability Broad Form Property Damage, Contractual Liability, Personal and Advertising Injury Liability and where the exposure exists, coverage for watercraft, blasting collapse, and explosions, blowout, catering and underground damage.
  - \$300,000 each occurrence Limit Bodily Injury and Property Damage combined
  - \$300,000 Products-Completed Operations Aggregate Limit \$500,000 per Job Aggregate
  - \$300,000 Personal and Advertising Injury Limit
  - Bodily Injury liability of not less than \$1,000,000
- g) Automobile Liability Coverage
  - \$300,000 Combined Liability Limits Bodily Injury and Property Damage Combined

27.2 All policies of insurance required of Contractor herein shall waive all rights of subrogation against HCDE, its officers, employees, and agents. All policies of insurance, including any renewals thereof, must specify that such coverage will not be canceled or materially changed without a minimum of thirty (30) days prior written notice to HCDE. HCDE shall be named as an “additional insured” on all insurance policies. Contractor shall furnish certified copies of original insurance policies to HCDE before any Work is started by Contractor.

27.3 The insurance requirements stated herein do not establish limits of Contractor’s liability and are separate from and independent of any indemnification obligation of Contractor. HCDE reserves the right to require additional insurance from Contractor as HCDE deems necessary. Contractor shall also require that its Subcontractors provide evidence of insurance of the same types and amounts as Contractor herein, prior to conducting any Work on the Project.

27.4 HCDE and Contractor hereby mutually release each other (and their successors, assigns, subcontractors, agents, and employees) from liability and waive all right of recovery against the other for any loss or damage covered by their respective first party property insurance policies for all perils insured thereunder. In the event of such insured loss, neither Party’s insurance company shall have a subrogated claim against the other.

27.5 If Contractor fails to obtain or maintain any of the required insurance coverage, HCDE may obtain and maintain such insurance, and Contractor shall reimburse HCDE for the actual cost of such insurance within thirty (30) days after receipt of HCDE’s invoice or HCDE may offset such amount against any payment due Contractor.

28. **No Mechanics or Materials Liens:** Contractor hereby acknowledges that mechanics and materials liens are unavailable against a public entity, including HCDE.

29. **Relationship of Parties:** Contractor is engaged under the Agreement as an independent contractor and not as an agent or employee of HCDE. Contractor is not entitled to benefits of any kind to which HCDE’s employees are entitled, including but not limited to unemployment compensation,

workers compensation, health insurance or retirement benefits. Contractor assumes full responsibility for payment of all federal, state and local taxes or contributions, including but not limited to, unemployment insurance, social security, Medicare and income taxes with respect to Contractor and Contractor's employees. The Agreement shall not be construed to create or imply any partnership or joint venture between the Parties hereto, nor shall it be construed or deemed an endorsement of a specific company or product. The Agreement does not authorize either Party to serve as the legal representative or agent of the other. Neither Party has any right or authority to assume, create, or incur any liability or any obligation of any kind, express or implied, against or in the name of or on behalf of the other Party.

**30. Indemnity:** CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD HCDE, HCDE'S CONSULTANTS, AGENTS, AND EMPLOYEES HARMLESS FROM ANY AND ALL LOSS, EXPENSE, COST OR LIABILITY (INCLUDING REASONABLE ATTORNEY'S FEES AND EXPENSES), ARISING FROM ANY CLAIM OR CAUSE OF ACTION FOR ANY LOSS OR DAMAGE CAUSED BY OR ARISING FROM THE PERFORMANCE OF CONTRACTOR'S OBLIGATIONS UNDER THE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THE CONDUCT OF CONTRACTOR'S EMPLOYEES, SUBCONTRACTORS, SUB-SUBCONTRACTORS OR ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY THEM. IN CASE OF ANY SUCH CLAIM, CONTRACTOR, UPON NOTICE FROM HCDE, COVENANTS TO DEFEND ANY SUCH ACTION OR PROCEEDING, EVEN IF SUCH ACTION OR PROCEEDING ALLEGES THAT THE LOSS OR DAMAGE WAS CAUSED BY HCDE'S NEGLIGENCE.

In claims against any person or entity indemnified under this Article by an employee of Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under this Article shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

**31. Antitrust Violations:** To permit HCDE to recover damages suffered in antitrust violations, the Agreement must include the following wording, "Contractor hereby assigns to [HCDE] any and all claims for overcharges associated with this contract which arise under the antitrust laws of the United States, 15 U.S.C.A. Section 1 et.seq. (1973)," and HCDE hereby incorporates such language into the Agreement. Contractor shall include this provision in its agreements with each Subcontractor and supplier. Each Subcontractor shall include such provisions in agreements with Sub-subcontractors and suppliers.

**32. Notices:** All notices, consents, and requests ("Notices") provided to be given under the Agreement shall be given by hand-delivery, certified mail or registered mail, addressed to the proper Party, at the addresses indicated at the bottom of the Agreement. Notices shall be deemed to have been duly served if delivered in person to the designated representative of the Party; or if delivered at, or sent by registered or certified mail or by courier service providing proof of delivery to, the address of the Party as listed below. Notices are effective upon receipt. Each Party may change the address at which Notices may be sent to that Party by giving advance written notice of such change to the other Party by certified mail, return receipt requested.

**33. Compliance With Laws:** Contractor agrees that it will, in its performance of its obligations hereunder, fully comply with all applicable laws, regulations and ordinances of all relevant authorities, including but not limited to those pertaining to safety, and shall obtain all licenses, registrations or other

approvals required in order to fully perform its obligations hereunder. Contractor represents and warrants that all improvements made to the property shall comply with the Americans with Disabilities Act and all other applicable codes, regulations and laws.

34. **No Waiver:** No action or failure to act by HCDE or Contractor shall constitute a waiver of a right or duty afforded either Party under the Agreement, including, but not limited to, the requirements of Article 36, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing, signed by both Parties. The waiver by any Party of any right, obligation, or breach of the Agreement shall not be construed as a waiver of any other or subsequent right, obligation, or breach.

35. **No Third Party Beneficiaries:** The Agreement Documents, or any term or provisions thereof or any inclusion by reference, shall not be construed as being for the benefit of any party not in signatory thereto. No person, other than the Parties, is entitled to rely on any representation, warranty, covenant, or agreement contained herein.

36. **Amendment:** The Agreement may not be supplemented, amended, changed, or otherwise modified, except by a Valid Amendment, which requires an instrument in writing, to be attached to and incorporated in the Agreement in the form of either (1) a formal written amendment to the Agreement Documents signed and delivered by duly authorized representatives of both Parties hereto, or (2) a Change Order, issued by HCDE or its authorized representative, as provided in this section. The Agreement may not be supplemented, amended, changed, or otherwise modified by conduct of either Party, custom, usage of trade, or course of dealing.

36.1 **Change Orders:** If HCDE desires to increase the Scope of Work, the Parties will execute a written Change Order, signed by duly authorized representatives of both Parties hereto, increasing the Scope of Work and adjusting the Contract Sum and/or the Contract Time as mutually agreed by the Parties. In the event that HCDE desires to reduce the Scope of Work, HCDE may unilaterally issue a Change Order, signed by a duly authorized representative of HCDE only, reducing the Scope of Work and adjusting the Contract Sum and/or the Contract Time. If HCDE issues a Change Order reducing the Scope of Work, Contractor is entitled to payment for the portion of the deleted Work actually performed, if any, prior to the effective date of the Change Order. The Parties agree that in no event shall the action or failure to act by HCDE or Contractor constitute a waiver of requirements of this section, except as provided by Article 34.

In accordance with Texas Local Government Code § 271.060, the original Contract Sum may not be increased by more than twenty-five percent (25%). The original Contract Sum may not be decreased by more than twenty-five percent (25%) without the consent of Contractor.

36.2 **Adjustments in Excess of \$25,000:** Contractor hereby acknowledges that any Valid Amendment in which the Contract Sum is adjusted by more than \$25,000 shall require approval of HCDE's Board of Trustees, in accordance with HCDE's Policy CV (Local). The submission of Valid Amendments on a component basis, with the intention of circumventing the requirement of Board approval for Valid Amendments in excess of \$25,000 is prohibited.

37. **HCDE's Right to Audit:** HCDE, upon written notice, shall have the right to audit all documents relating to the Project at any time during construction and for a period of two (2) years after the Date of Final Completion. Records subject to audit shall include, but are not limited to, records which may have

a bearing on matters of interest to HCDE in connection with Contractor's Work for HCDE and shall be open to inspection and subject to audit and/or reproduction by HCDE's agents or its authorized representative to the extent necessary to adequately permit evaluation and verification of (a) Contractor's compliance with contract requirements (b) compliance with HCDE's procurement policies and procedures (c) compliance with provisions for computing bills to HCDE and (d) any other matters related to the Agreement between HCDE and Contractor. Each Party shall pay for its own costs and expenses incurred in assisting HCDE with audits performed pursuant to this Article. Contractor shall include audit provisions identical to this Article in all subcontracts and purchase orders.

38. **Assignment:** Neither Party shall assign or otherwise transfer the Agreement, any part hereof, or any payment or part of the payment which may accrue under the Agreement, without the prior written consent of the other Party. In the event HCDE grants such written approval, Contractor shall nonetheless be obligated to HCDE to complete the Project in the time and manner agreed herein, all in accordance with the terms and conditions of the Agreement. Contractor shall be liable for all acts and omissions of any assignee as if performed or omitted by Contractor.

39. **Attorney's Fees:** In the event either Party breaches any of the terms of the Agreement Documents whereby the Party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting Party agrees to pay the reasonable attorney's fees and expenses incurred by the non-defaulting Party, in addition to any other relief to which the non-defaulting Party may be entitled under the Agreement. This provision shall be construed as applicable to the entire Agreement.

40. **Entire Agreement:** The Agreement, the procurement solicitation issued by HCDE: Job/RFP No. [ENTER], including the terms and conditions detailed therein (the "RFP"), and Contractor's proposal submitted in response to Job/RFP No. [ENTER], and the attached and incorporated addendum or exhibits, if any, shall constitute the complete and exclusive written expression of the intentions of the Parties hereto with respect to the Project and shall supersede all previous communications, representations, agreements, promises or statements, either oral or written, by and between either Party with respect to the Project. In the event of a conflict between this Agreement and the RFP or Contractor's proposal submitted in response to the RFP, this Agreement shall control. In the event of a conflict between the RFP and Contractor's proposal submitted in response to the RFP, the RFP shall control. This Agreement supersedes any conflicting terms and conditions on any purchase or work orders, invoices, checks, order acknowledgements, forms, purchase orders, or similar commercial documents relating hereto and which may be issued by Contractor after the Effective Date of this Agreement.

No supplements, retractions, amendments, modifications, or changes to the Agreement shall be valid unless they are Valid Amendments in accordance with Article 36. Any Valid Amendments to the Agreement must be in writing and signed by the required Party(ies) in accordance with Article 36. The Parties expressly agree that the Agreement shall not be construed against either Party.

41. **Governing Law and Venue:** The Agreement shall be governed by the law of the State of Texas, without regard to any provisions on conflicts of law. Venue for all legal proceedings related to the Agreement or the obligations thereunder shall be in Houston, Harris County, Texas, and the Parties hereby submit to the exclusive jurisdiction of the state and federal courts in Houston, Harris County, Texas.

42. **Severability:** In the event that any one or more of the provisions contained in the Agreement 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 of the Agreement, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

43. **Survival of Provisions:** All representations, warranties, covenants, indemnities, and other continuing obligations as expressly provided in the Agreement shall survive the expiration or earlier termination of the Agreement.

44. **Force Majeure:** Neither Party to the Agreement shall be liable for any failure to perform the terms of the Agreement when such failure is due to Force Majeure as defined in this Article. The term “Force Majeure” as used in the Agreement shall mean any delay or default in performance hereunder due to causes beyond the control of the Parties and without their fault or negligence that could not have been prevented or avoided by the affected Party through the exercise of due diligence, including, but not limited to” acts of God or the public; civil disturbances, arrests or restraints by rulers and people, acts, requests or interruptions of the federal, tribal, state, or local government or any agency thereof, or of any federal, tribal, state, or local officer purporting to act under duly constituted authority, court orders, present and future valid orders of any governmental entity, or any officer, agency or any instrumentality thereof, floods, wildfires, acts of the public enemy (including terrorists), wars, strikes, lockouts, or industrial disturbances, interruption of transportation, freight embargoes or failures, exhaustion or unavailability of equipment or services necessary to the performance of any provision herein due to allocations promulgated by authorized governmental entities , riots, rebellions, blockade, insurrection, sabotage, epidemics, invasions, landslides, earthquakes, quarantine, restrictions, breakage or accident to machinery or lines of pipe due to intervention of third party causes (not arising from the performance of the Work). Force majeure shall not include rainout or ordinary weather days that require Work stoppage, and in no event shall include routine scheduled equipment maintenance or breakage.

45. **Exhibits:** The following Exhibits (including Valid Amendments thereto) are attached hereto, as Agreement Documents, and fully incorporated herein by reference:

- a) Exhibit A: Prevailing Wage Rates
- b) Exhibit B: Construction Schedule

IN WITNESS WHEREOF the undersigned Parties hereto execute the Agreement as of this day and year indicated below.

HCDE: Harris County Department of Education  
6300 Irvington Boulevard  
Houston, Texas 77022

\_\_\_\_\_  
Jesus Amezcua  
Assistant Superintendent – Business Services  
Date: \_\_\_\_\_

CONTRACTOR: **[ENTER NAME]**  
**[ENTER CONTRACTOR’S ADDRESS]**



\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

### **EXHIBIT A to Contractor Agreement PREVAILING WAGE RATES**

All Contractors and Subcontractors shall comply with all applicable laws regarding prevailing wage rates including, but not limited to, Texas Government Code Chapter 2258 and any related federal requirements applicable to this procurement by HCDE, including the Davis-Bacon Act. **All Contractors and Subcontractors shall comply with all state and federal laws including, but not limited to, laws of labor, minimum wage, safety, and equal employment opportunity. All Contractors and Subcontractors must pay not less than the general prevailing wage rate as listed herein plus any applicable fringe benefits.**

The prevailing wage rates listed are to be considered the minimum to be paid, and the listing of prevailing wage rates shall not be construed to prohibit the payment of rates higher than those listed. The Contractor and Subcontractor(s) shall maintain an adequate workforce whether wage rates higher than those listed are required or not. HCDE will not consider claims for additional compensation because of payments of wage rates in excess of the applicable rates listed herein.

Chapter 2258 of the Texas Government Code applies to the construction of a public work, including a building, highway, road, excavation, and repair work or other project development or improvement, paid for in whole or in part from public funds, without regard to whether the work is done under public supervision or direction. Section 2258.021 mandates that a worker employed on a public work other than maintenance work by paid not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the work is performed and not less than the general prevailing wage rate of per diem wages for legal holiday and overtime work. A worker is employed on a public work if the worker is employed by a contractor or subcontractor in the execution of a contract for the public work with HCDE.

**For projects involving federal funds**, HCDE has adopted the prevailing wage rate as determined by the U.S. Department of Labor in accordance with the Davis-Bacon Act (40 U.S.C. § 276a et seq) and its subsequent amendments, as the prevailing rate of per diem wages in HCDE for each craft or type of worker needed to execute a public works contract and also for legal holiday and overtime work involving federal funds. See HCDE Policy CV (Local). The current U.S. Department of Labor wage determination rates for Texas may be accessed on the Internet at <http://www.access.gpo.gov/davisbacon/>. Click on Browse all Determinations by State and then click on Texas. Then locate Harris County. Click under the Building column for Harris County to access the rates for all trades.

**For projects not involving federal funds**, HCDE has adopted the prevailing wage rate as determined by Harris County, Texas as the prevailing rate of per diem wages in HCDE for each craft or type of worker needed to execute a public works contract and also for legal holiday and overtime work not involving federal funds. See HCDE Policy CV (Local). The current wage determination rates for Harris County, Texas may be accessed on the Internet at <http://www.eng.hctx.net/wage>. Click on Prevailing Wage Rate Building Construction to access the rates for all trades.

Prevailing Wage Rates: Base per Diem rate shall be taken as the hours worked per day times the Base Hourly Rate.

Overtime Rates: Over 40 hours per week and holidays at base hourly rate times 1.5.

Section 2258.023 of the Texas Government Code, entitled "PREVAILING WAGE RATES TO BE PAID BY CONTRACTOR AND SUBCONTRACTOR; PENALTY," states, in pertinent part:

- (a) The contractor who is awarded a contract by a public body or a subcontractor of the contractor shall pay not less than the rates determined under Section 2258.022 to a worker employed by it in the execution of the contract.
- (b) A contractor or subcontractor who violates this section shall pay to the state or a political subdivision of the state on whose behalf the contract is made, \$60 for each worker employed for each calendar day or part of the day that the worker is paid less than the wage rates stipulated in the contract. A public body awarding a contract shall specify this penalty in the contract.
- (d) The public body shall use any money collected under this section to offset the costs incurred in the administration of this chapter.

**Contractor certifies that it is in compliance with all applicable standards, orders and/or regulations issued pursuant to the programs subject to the Davis-Bacon Act (40 U.S.C. 276a et seq.), the Regulations of the Department of Labor, 29 CFR part 5, and Texas Government Code Chapter 2258.**

### **EXHIBIT B to Contractor Agreement CONSTRUCTION SCHEDULE**

- 1. Begin Construction: **[ENTER]**
- 2. Substantial Completion: **[ENTER]**
- 3. Final Completion: **[ENTER]**

The Construction Schedule above includes an allowance of Anticipated Weather Days, which are regular working days, in accordance with the following schedule:

January	3	July	4
February	4	August	4
March	4	September	4
April	2	October	3
May	5	November	5
June	6	December	4

Weather Days shall pertain to such items as rain, flooding, snow, unusually high winds, excessively wet grounds, or the like which prevent progress on items which affect the critical path of the Work on regular working days only. If such situations occur on more than the number of Anticipated Weather Days included in the Bid Completion Time and if those additional days prevent the Contractor from performing the critical path of the scheduled Work, a change to the Contract Time may be done in accordance with Article 36 in the Agreement; if the inclement weather is rain-related, the rain at the Project Site must have been in excess of .50 (1/2) inch in 24 hours.

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 , 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 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



# **Purchasing Office Contracts Manual FY 18-19**

**As of June 20, 2018**



## Table of Contents

<b>1.0 Overview .....</b>	<b>4</b>
<b>2.0 Purpose.....</b>	<b>4</b>
<b>3.0 Introduction to Contract Management .....</b>	<b>4</b>
<b>4.0 Contract Payment Processing .....</b>	<b>4</b>
<b>5.0 Code of Ethics .....</b>	<b>5</b>
<b>6.0 Formation of Written Contracts.....</b>	<b>6</b>
<b>7.0 Boilerplates .....</b>	<b>6</b>
<b>8.0 When is a contract needed for services?.....</b>	<b>7</b>
<b>9.0 When is the contract reviewed by our attorney?.....</b>	<b>7</b>
<b>10.0 Contract Templates.....</b>	<b>8</b>
<b>11.0 Contract Preparation.....</b>	<b>9</b>
<b>12.0 Expenditure Contracts Flowchart .....</b>	<b>10</b>
<b>13.0 Revenue Contracts Flowchart.....</b>	<b>11</b>
<b>14.0 Contract Monitoring.....</b>	<b>12</b>
<b>15.0 Contract Templates.....</b>	<b>13</b>
<b>16.0 Contract Terms and Definitions .....</b>	<b>102</b>



Harris County Department of Education Purchasing Division is pleased to provide the FY 2019 Contracts Manual. This manual provides instructions, contract templates, and flowcharts to make the contracting process easier. In addition, this manual contains basic contracting information to assist you in the processing and review of your contracts/agreements.

HCDE is committed to executing contracts in compliance with applicable federal and state laws, regulations, and agency advisory opinions, judicial and administrative determinations.

For your convenience, frequently used contract templates are located on the HCDE Purchasing portal. Those include Speaker Agreements, Service Agreements, Construction Services, and other required forms. In addition to these frequently used contracts, the Purchasing Division also processes leases, rental agreements, letters of agreements, memorandums of understandings/agreements, board resolutions, and notification of grant awards.

Changes to this manual may be made over time as policies and procedures are developed and new or unforeseen purchasing situations arise.

If you have any questions or comments about this manual, please contact the Purchasing Division.

## 1.0 Overview

To better serve our customers and ensure a level of accountability appropriate for a public institution, this manual has been compiled to provide instructions and guidelines for contract processing and management. Texas law governs certain aspects of contracting for state agencies. Several types of purchases and contracts may be subject to different statutory standards, practices, processes, and strategies for successful implementation. The suggestions, comments, techniques, examples and recommendations included in this manual are NOT appropriate for every type of contract. The nature and level of risk associated with each of these elements vary depending on the nature of the business relationship.

## 2.0 Purpose

The purpose of this manual is to offer HCDE employees guidance on preparing and submitting contracts for approval and to provide guidance over contract management and monitoring. This manual is not intended to be a manual on the law of contracts or constitute legal advice. ALWAYS CONSULT THE PURCHASING DIVISION FOR ADVICE CONCERNING CONTRACTS.

## 3.0 Introduction to Contract Management

Contract management is the coordination and management of five core processes:

- Planning – identifying the need.
- Procurement - the process of finding, agreeing terms and acquiring goods, services or works from an external source, often via a tendering or competitive bidding process.
- Contract Formation - establishment of pricing, dates, scope of work, and other relevant terms and conditions.
- Contract Administration - the management of contracts made with vendors, contractors and other governmental entities.
- Contract monitoring – ensuring that a vendor/contractor adequately performs a contracted service.

## 4.0 Contract Payment Processing

Ensuring that HCDE receives value and payment terms are adhered to. All Budget Managers must monitor all aspects of the contract, but in particular the payment terms so that the Department receives appropriate discounts and the vendor is paid on the discount required for payment processing:

1. All contracts must have been encumbered through a purchase order and a purchase order was issued and is available in the Accounts Payable office.
2. Once an invoice is received, the Budget Manager must verify the contract terms have been followed, and a recommendation for payment is made.

3. The invoice should state “ok to pay” with the Budget Manager’s signature and sent to the Accounts Payable office for further matching and processing.
4. All payment will be mailed to the vendor.
5. If a Purchase Order was not initiated, a Payment Authorization must then be initiated and requested. If the amount is above \$2,500, the Assistant Superintendent must approve.
6. The Financial Operating Guidelines must be followed throughout the fiscal year.

## 5. Code of Ethics

HCDE officials and employees are responsible for protecting the safety and welfare of the public’s monies. All HCDE officials and employees should endeavor to pursue a course of conduct that does not raise suspicion among the public. Therefore, they shall avoid acts which are improper or give the appearance of impropriety. This conduct is particularly important for HCDE purchasing personnel and contract management personnel who are charged with the disposition of HCDE funds.

HCDE purchasing personnel must adhere to the highest level of professionalism in discharging their official duties. The nature of purchasing functions makes it critical that everyone in the purchasing process remain independent and free from the perception of impropriety. Any erosion of public trust or any shadow of impropriety is detrimental to the integrity of the purchasing process. Consequently, the credibility of a purchasing program requires that a clear set of guidelines and rules be established. Such guidelines are designed to prevent actual and potential vendors from influencing state officers or employees in discharging their official duties. Furthermore, these guidelines will help prevent state officials’ and employees’ independent judgment from being compromised. Therefore, with these principles in mind and in accordance with state law, the following policies and procedures should be adhered to by all HCDE employees, contractors and potential contractors.

### A. HCDE Ethics Policy

It is the policy of the HCDE that an HCDE Official or employee may not have a direct or indirect interest, including financial and other interests, or engage in a business transaction or professional activity, or incur any obligation of any nature that is in substantial conflict with the proper discharge of the officer’s or employee’s duties in the public interest. In an effort to disclose any conflict of interest issues, the CIS Form is required to be completed by the HCDE official or employee within 7 days of learning of a potential conflict of interest. See CIS form requirements under the Financial Operating Guidelines.

### B. Standards of Conduct

A HCDE Official or employee should not:

1. Accept or solicit any gift, favor, or service that might reasonably tend to influence the officer or employee in the discharge of official duties or that the officer or employee knows or should know is being offered with the intent to influence the officer’s or employee’s official conduct;



2. Accept other employment or engage in a business or professional activity that the officer or employee might reasonably expect would require or induce the officer or employee to disclose confidential information acquired because of the official position;
3. Accept other employment or compensation that could reasonably be expected to impair the officer's or employee's independence of judgment in the performance of the officer's or employee's official duties;
4. Make personal investments that could reasonably be expected to create a substantial conflict between the officer's or employee's private interest and the public interest; or
5. Intentionally or knowingly solicit, accept or agree to accept any benefit for having exercised the officer's or employee's official powers or performed the officers or employees' official duties in favor of another.

## **6.0 Formation of Written Contracts**

The purpose of any written contract is to serve as a reference document recording the terms of the agreement to prevent misunderstanding and conflict as to those terms later. A contract creates a legal, binding and enforceable obligation between the parties. Clarity of the terms is of primary importance. The person drafting the contract must know the subject matter and concerns of the parties well enough to anticipate potential areas of disagreement and address them in the contract.

It is important to be thorough when determining the scope of the contract, as contract law does not allow parties to add terms to the contract without the consent of both parties.

When creating contracts for the Department, potential conflicting interests must be balanced, including federal, state requirements, fiscal constraints, statutory requirements and contractor requirements. The main concern should be the benefit of the contract to the Department and state as a whole, more specifically, the taxpayers. The best contract for the Department does not mean taking advantage of the contractor. Harsh provisions may be legal, but typically have negative impact that can outweigh the initial gain. Contractors who feel they are being taken advantage of typically provide less quality work and are more likely to take legal action if a conflict arises. They may also decide not to do work for the Department or state again, thus limiting competition for future contracts.

## **7.0 Boilerplates**

The best scenario is when you can use one of HCDE attorney-reviewed contract templates as the terms and conditions have already been reviewed. If instead, you use a vendor boilerplate, be careful and keep your eyes open for potential contract pitfalls.

## 8.0 When is a contract needed for services?

<b>Contract Amount</b>	<b>Contract needed</b>
<b>Expenditure under \$2,500*</b>	<b>No</b>
<b>Expenditure \$2,500 to \$49,999</b>	<b>Yes</b>
<b>Expenditure \$50,000 and over</b>	<b>Yes</b>
<b>Interlocal Agreements</b>	<b>Yes</b>
<b>Memorandum of Understanding (MOU)</b>	<b>Yes</b>
<b>Non-Monetary contracts</b>	<b>Yes</b>
<b>Revenue \$50,000 and over</b>	<b>Yes</b>

**\*Purchase Order may serve as the contract.**

## 9.0 When is the contract reviewed by our attorney?

Division Managers should utilize our contract templates because they have been reviewed by our legal counsel. If the vendor or organization requires their contract, the Assistant Supt for Business will determine if the contract requires review by the legal counsel.

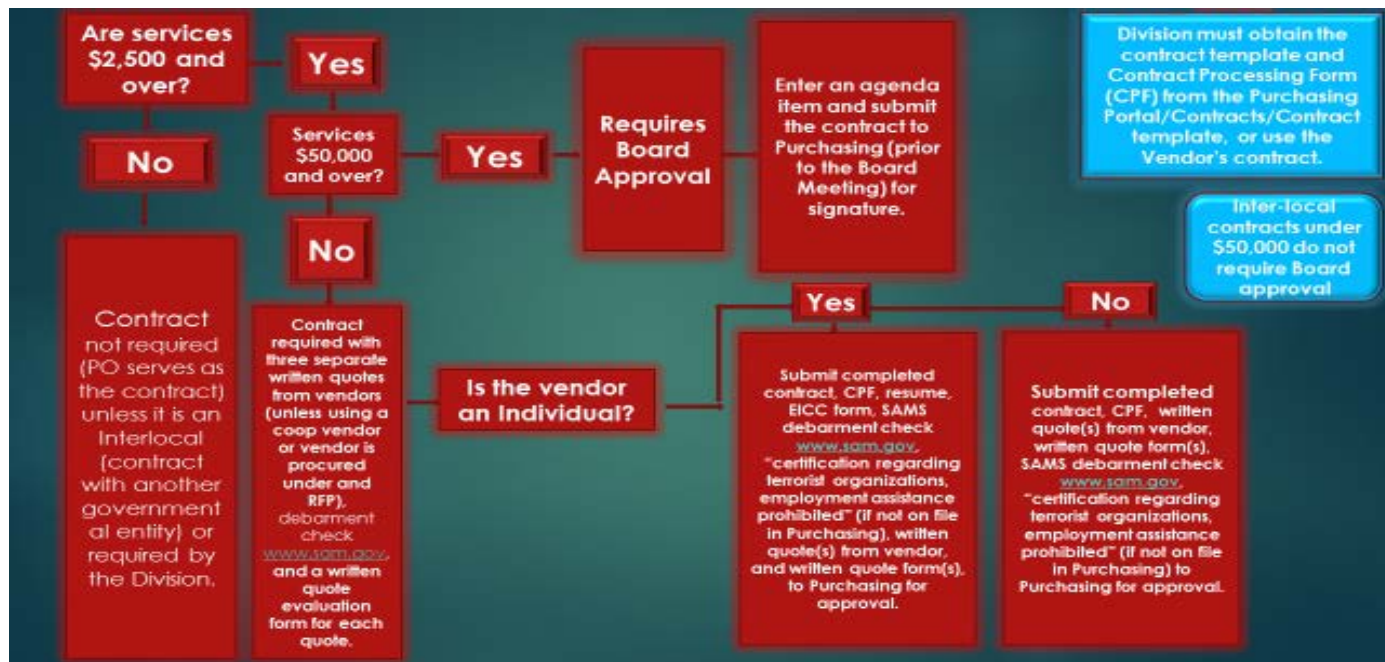
## 10.0 Contract Templates

1. Services Agreement for Revenue – To be used when HCDE is receiving revenue
  2. Services Agreement for Expenditures – To be used when HCDE is paying for a service – most divisions – under contracted services (6200)
  3. Services Agreement subject to an Interlocal Agreement – To be used for contracting with ISDs, Therapy Services, TLC, and Special Schools (other Divisions may apply)
  4. Addendum for a specific grant- Adult Ed, Head Start – To be used with service agreement for expenditures
  5. Addendum for Speaker agreement – To be used along with service agreement for expenditures
  6. CASE - Interlocal agreements (Grant) and contracts for CASE- As created by attorney
  7. Choice - Interlocal Template – To be used when contracting with a local government
  8. Participation contract template – To be used when contracting with non-for-profit organizations
- Facilities:
9. Construction contract – To be used for construction projects
  10. JOC Construction contract – to be used for JOC Construction projects

## 11.0 Contract Preparation

- Step 1. Each Division determines the need and initiates a contract.
- Step 2. Select a contract template from the Purchasing Portal and complete.
- Step 3. Obtain signatures from the contracting party if using an HCDE template.
- Step 4. Attach a completed, signed Contract Processing form (CPF) to the contract alone with other required documentation (resume, EICC, etc.) if applicable.
- Step 5. Run the SAM report at [www.sams.gov](http://www.sams.gov) and attach to contract.
- Step 6. Submit contract and backup documentation to Purchasing for processing and approval.
- Step 7. Once the contract is received in Purchasing, it is processed and submitted to the Assistant Superintendent of Business for approval.
- Step 8. Once the contract is approved, Purchasing will keep and one original and submit copies back to the Division unless otherwise noted.
- Step 9. The contract is uploaded to the Purchasing Portal under “Master Contracts”.

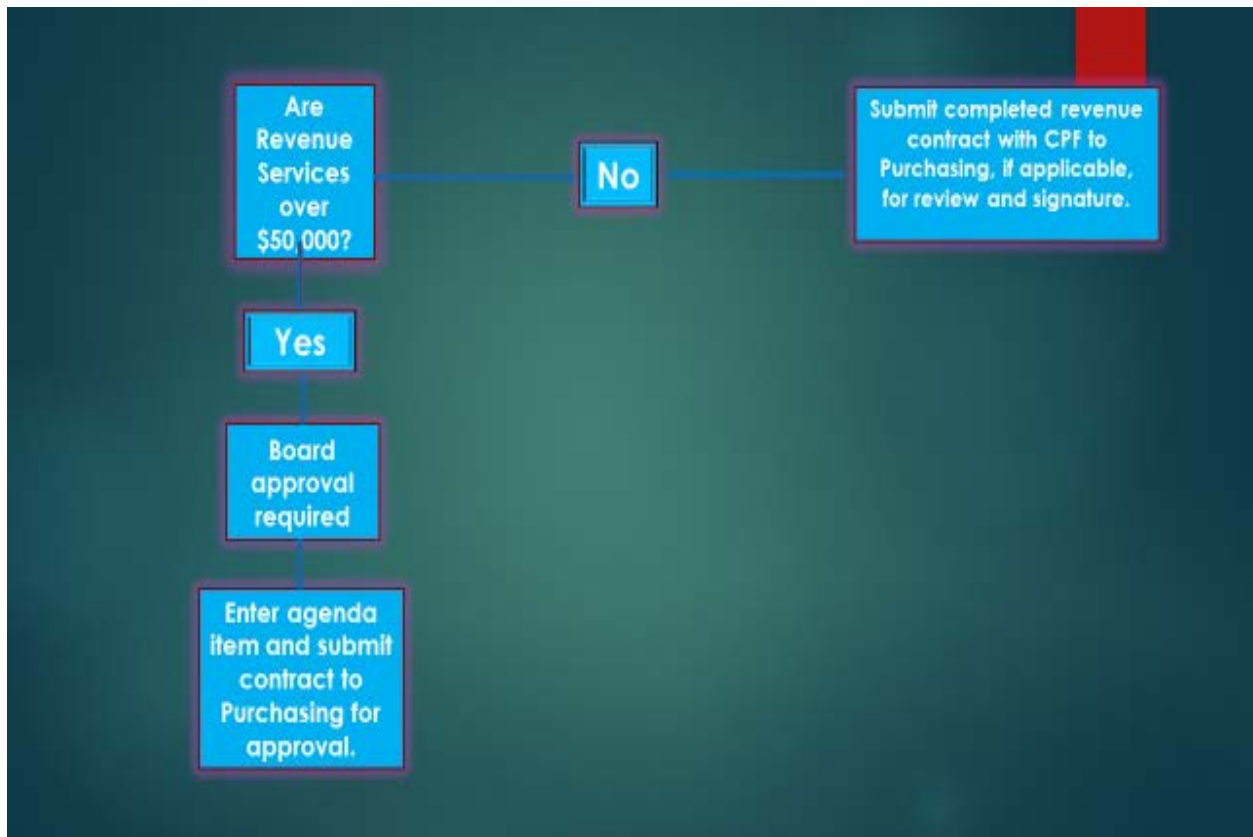
## 12.0 Expenditure Contracts Flowchart



- All expenditure contracts must include a vendor packet on file for payment to the vendor. Payments made directly to a teacher, service center, federal government or state agency, university, city or other local government agencies that is currently employed by a school district, only requires a W-9. Vendor Packages should include the following:
  - Vendor Information Sheet
  - Conflict of Interest Questionnaire (Exempt for Governmental Agencies)
  - IRS W-9 Form
  - Felony Conviction Notice (Exempt for Governmental Agencies)
  - SB9 Contractor/Subcontractor Certification (Required if contractor meets requirements) (State)
  - Proposer/Vendor Certification Forms (Federal)
  - Form HB89 (State)
  - Form 1295 (if board action required) (State)
- The Purchasing Division ensures that all forms have been received and if required will add the vendor to the Pentamotion System Vendor List.

- All contracts sent to the Purchasing Division must include a Contract Processing Form Contract Processing Form, completed and signed by the submitting Division's Budget Manager.
- If the vendor is an individual (sole proprietor), a resume and EICC form must be included with the contract.
- All contracts sent to the Purchasing Division must include a Contract Processing Form (CPF), completed and signed by the submitting Division's Budget Manager. The CPF can be found on the [HCDE portal](#). Contracts must be signed by the other party prior to submitting to the Purchasing Division, except when the contract being processed is the other parties' contract template.

## 13.0 Revenue Contracts Flowchart



# 14.0 Contract Monitoring

## Contract Monitoring

All Division Managers that are assigned to monitor and manage a contract have the following obligations:

1. Make sure that the work is not started prior to the contract effective date and or after the end date.
2. Ascertain that the Department receives value for its services prior to payment
3. Verify that work was provided in accordance with the contract agreement
4. Monitor the contract so that HCDE complies
5. Monitor that the contract is in effect during the date of performance
6. Verify that the invoices are reviewed and certified for payment
7. Adhere to board policies regarding procurement, contracting, and payment
8. Maintain records necessary to document work performed
9. Report any misappropriation or waste of taxpayers' dollars
10. Adhere to special provisions under federal or state laws as required (Davis Bacon Act, CIS, 1295, and others)

## Contract Amendments and Change orders

Administrators overseeing a contract often see the need for amending the contract. The following steps should be undertaken to make changes:

1. Make sure that the contract has not expired
2. Make sure that the contract Change order requirements are adhered in the contract
3. Check if change orders are allowed under board policy
4. Submit a contract change and attach it to a new contract processing form signed by the supervisor (ELT Member).
5. Submit the change to the Purchasing Office and provide any required forms
6. Request a change in the Purchase Order and send a pdf file of the contract amendment to the Purchasing Clerk for amending the Purchase Order.

# 15.0 Contract Templates

**These are posted under the portal.**

**Go to :**

**<https://hcdeportal.hcde-texas.org/Docs/Purchasing/default.aspx>**

**Portal/Purchasing/Contracts/Contract templates**



# SERVICES AGREEMENT FOR HCDE EXPENDITURES

This Services Agreement (“Agreement”) is made and entered into by and between the Harris County Department of Education (“HCDE”), located in Houston, Texas 77022, and \_\_\_\_\_ (“Contractor”), located in \_\_\_\_\_, for Contractor to provide services to HCDE in accordance with the terms and conditions specified herein.

## Recitals

HCDE is a political subdivision of the State of Texas, established to promote education in Harris County, Texas. Both HCDE and Contractor desire to set forth in writing the terms and conditions of their agreement. In consideration of the mutual covenants and conditions contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties intending to be legally bound agree as follows:

**1. Purpose.** HCDE agrees to retain Contractor and Contractor agrees to provide services to HCDE as Contractor and to perform the duties and all necessary labor and resources needed to provide the services set forth in Paragraph 3 – Scope of Work. Contractor shall also perform such other related services and duties as are customarily performed by a Contractor in a similar position.

**2. Term.** This Agreement is for services beginning \_\_\_\_\_ and ending \_\_\_\_\_ (“Term”). All extensions of this Agreement shall be subject to the terms and conditions specified herein.

**3. Scope of Work.** Exhibit A includes a detailed Scope of Work that sets out the services (hereinafter “Services”) Contractor agrees to provide.

**4. Independent Contractor Status.** It is the intention of the parties that Contractor be an independent contractor and not an employee, agent, joint venturer, or partner of HCDE. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between HCDE and either Contractor or any employee or agent of Contractor. As an independent contractor, Contractor will be solely responsible for determining the means and methods for performing the Services and shall furnish all tools, materials, transportation, and personal incidentals necessary in the performance of the Services. Contractor shall be responsible for any and all applicable social security and personal income taxes that may become due as a result of any payments made by HCDE hereunder and Contractor shall indemnify and hold HCDE harmless in this regard.

**5. Review of Progress.** Contractor will work to meet all timelines mutually established by Contractor and HCDE. HCDE reserves the right to monitor the progress of Contractor.

**6. Changes & Amendments.** During the Term of the Agreement (see Paragraph 2), HCDE and Contractor reserve the right to make changes to the Services the Contractor is required to provide pursuant to this Agreement. This Agreement may be amended only by the mutual agreement of the parties, in writing to be attached to and incorporated in this Agreement. All such changes shall be made in writing and agreed to by both parties.

**7. Assignment.** Neither this Agreement nor any duties or obligations under it shall be assignable by Contractor without the prior written acknowledgement and authorization of HCDE.

**8. Compensation.** HCDE will pay Contractor an amount not to exceed \$\_\_\_\_\_ plus expenses of \$\_\_\_\_\_ per day for Services provided in Exhibit A. Contractor will invoice HCDE periodically throughout the Term of the Agreement in accordance with Section 29 of this Agreement. HCDE is Texas sales and use tax exempt and will not reimburse Contractor for any Texas sales taxes incurred by Contractor. In the event that any payment(s) to Contractor under this Agreement are subsequently disallowed by a state or federal grant awarding agency or in the event that HCDE is required to refund any funding received from a state or federal grant awarding agency relating to Contractor's Work, to the maximum extent permitted by applicable law, Contractor shall repay to HCDE, on demand, the amount of any such disallowed costs and/or refund. HCDE may, in its sole discretion, deduct the amount(s) of any such disallowed costs and/or refund(s) from subsequent payments to Contractor under this Agreement.

**9. Intellectual Property.** Contractor represents that it has all intellectual property rights necessary to enter into and perform its obligations in this Agreement.

**10. Ownership of Work Product.** All work product, including any concepts, products, software, research, reports, studies, data, photographs, negatives, or other documents, drawings or materials prepared by Contractor in the performance of its obligations under this Agreement will be deemed works for hire and the exclusive property of HCDE, the Texas Education Agency, the State of Texas, and/or the federal government, as applicable. Contractor shall deliver all such materials to HCDE upon completion, termination, or cancellation of this Agreement. Any programs, data, or other materials furnished by HCDE for use by Contractor in connection with the Services performed under this Agreement will remain HCDE's property. Any pre-existing programs, data, or other materials furnished and owned by Contractor for use by Contractor in connection with the Services performed under this Agreement will remain Contractor's property.

**11. Professional Services.** This Agreement (check applicable box) ☒ **is** ☐ **is not** for professional services and governed by the Professional Services Procurement Act, TEX. GOV'T CODE Chp. 2254. Contractor represents and warrants that Contractor has demonstrated competence and possesses qualifications to perform the Services and is performing the Services for a fair and reasonable price. Contractor further represents and warrants that the professional fees under the Agreement do not exceed any maximum provided by law.

**12. Conflict of Interest.** 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.

**13. Criminal History Certification.** Contractor shall complete the "Criminal History Certification" regarding the criminal history of covered employees and the "Felony Conviction Notice," both of which are incorporated by reference herein. Noncompliance or misrepresentation regarding these certifications may be grounds for termination of this Agreement.

**14. Indemnity.** TO THE FULLEST EXTENT PERMITTED BY LAW, CONTRACTOR SHALL INDEMNIFY AND HOLD HARMLESS HCDE, ITS TRUSTEES, OFFICERS, EMPLOYEES, AND

AGENTS FROM AND AGAINST ALL LIABILITY, LOSS, EXPENSE (INCLUDING REASONABLE LITIGATION COSTS AND ATTORNEY'S FEES), OR CLAIMS FOR INJURY OR DAMAGES ARISING OUT OF THE PERFORMANCE OF THIS AGREEMENT (COLLECTIVELY, "CLAIM") TO THE EXTENT THE CLAIM ARISES FROM THE NEGLIGENCE, WILLFUL ACT, BREACH OF CONTRACT, OR VIOLATION OF LAW BY CONTRACTOR, ITS EMPLOYEES, AGENTS, CONTRACTORS, OR SUBCONTRACTORS.

**15. Non-appropriation of funds.** The Term of this Agreement is a commitment of HCDE current revenue only. Notwithstanding anything to the contrary in this Agreement, HCDE is obligated to make payments only as approved each year by HCDE's Board of Trustees. HCDE's Board of Trustees retains the right to terminate the Agreement at the expiration of each budget period of HCDE. To the extent that HCDE will use federal grant funds to fulfill its obligations under this Agreement, Contractor acknowledges that federal funds will be used to pay for all or a portion of funds due under this Agreement and that this Agreement is only effective upon receipt of the Notice of Grant Award ("NOGA") by HCDE from the awarding agency. As such, if HCDE does not receive sufficient funding for the services provided in this Agreement, HCDE may terminate this Agreement without penalty or further obligation to Contractor, at any time upon written notice to Contractor. Services rendered in accordance with this Agreement shall be funded by \_\_\_\_\_ [funding source(s)]. Payment for services rendered shall be allocated as follows: \_\_\_\_\_% funded by \_\_\_\_\_ [funding source]; and \_\_\_\_\_% funded by \_\_\_\_\_ [additional funding source, if applicable].

**16. Non-Exclusivity.** Nothing in this Agreement may be construed to imply that Contractor has the exclusive right to provide HCDE Services. During the Term of this Agreement, HCDE reserves the right to use all available resources to procure other services as needed and doing so will not violate any rights of Contractor.

**17. Performance.** Contractor agrees that Contractor's Services will be performed with reasonable care, skill, judgment, and experience in a professional business-like manner, with no direct supervision from HCDE. If Contractor is unable to complete the work in this manner based on the mutually agreed upon time, Contractor shall notify HCDE's Director of \_\_\_\_\_ in writing.

**18. Termination.** Either party for any reason upon thirty (30) days written notice may terminate this Agreement without cause. HCDE will be responsible for payment for Services that have been accepted by HCDE up to the termination date.

HCDE may, by written notice, immediately terminate this Agreement if Contractor has defaulted in whole or in part, refuses or fails to comply with the provisions of this Agreement, fails to make progress, does not cure such failure after written notice within a reasonable period of time, or fails to perform the Services within the same 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 amount owed Contractor or Contractor shall reimburse HCDE for such costs incurred by HCDE.

**19. Inspection and Acceptance of Service.** HCDE reserves the right to inspect the Services provided under this Agreement at all reasonable times and places during the Term. If any of the Services do not conform to the requirements set forth in this Agreement, HCDE may (i) require Contractor to perform the Services again in conformity with such requirements, with no additional charge to HCDE; or (ii)

equitably reduce payment due Contractor to reflect the reduced value of the Services performed. These remedies do not limit other remedies available to HCDE in this Agreement or otherwise available by law.

**20. Subcontractors.** If HCDE gives written permission for Contractor to subcontract any of the Services, Contractor shall ensure that each subcontractor complies with all provisions of this Agreement. Contractor shall require each subcontractor to maintain and to furnish Contractor with satisfactory evidence of Workers Compensation, Employer's Liability and such other forms and amounts of insurance which Contractor deems reasonably adequate. Contractor will remain liable for the acts and omissions of such subcontractor(s) and the proper performance and delivery of the Services.

**21. Insurance.** Unless an appropriate HCDE representative agrees to waive the requirements by initialing the designated space near the signature block below, Contractor shall comply with all of HCDE's insurance requirements. Contractor shall provide Certificates of Insurance evidencing the Insurance Requirements prior to the start of work. Contractor shall maintain insurance coverage in the amounts specified by HCDE. Certificates of Insurance on the current ACORD form shall be issued to HCDE showing all required insurance coverage.

**22. Force Majeure.** The parties to this Agreement 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.

**23. Notice.** Any notice provided under the terms of this Agreement by either party to the other shall be in writing and may be affected by certified mail, return receipt requested. Notice to either party shall be sufficient if made or addressed as to the address listed in the signature line of this Agreement.

Each party may change the address at which notice may be sent to that party by giving notice of such change to the other party by certified mail, return receipt requested.

**24. Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without regard to its conflicts of law's provisions. The mandatory and exclusive venue for the adjudication or resolution of any dispute arising out of this Agreement shall be a court of competent jurisdiction in Harris County, Texas.

**25. No Waiver of HCDE's Immunity.** The execution of this Agreement and the performance of HCDE of any of its obligations hereunder are not, and are not intended to waive or relinquish, and HCDE shall not waive or relinquish, any governmental, sovereign immunity or defense from or to liability or prosecution available to HCDE, its trustees, officers, employees, or agents under federal or Texas laws.

**26. Entire Agreement.** The Agreement, the procurement solicitation issued by HCDE, RFP # \_\_\_\_\_, Contractor's proposal submitted in response to HCDE's procurement solicitation, and the attached and incorporated addendum, exhibits, and documents/forms contain the entire agreement of the parties relative to the purpose(s) of the Agreement and supersede any other representations, agreements, arrangements, negotiations, or understanding, oral or written, between the parties to this Agreement. In the event of a conflict between this Agreement and the procurement solicitation issued by HCDE or

Contractor's proposal submitted in response to HCDE's procurement solicitation, this Agreement shall control. In the event of a conflict between the procurement solicitation issued by HCDE and Contractor's proposal submitted in response to HCDE's procurement solicitation, HCDE's procurement solicitation shall control. This Agreement supersedes any conflicting terms and conditions on any purchase or work orders, invoices, checks, order acknowledgements, forms, purchase orders, or similar commercial documents relating hereto and which may be issued by Contractor after the Effective Date of this Agreement.

**27. Severability.** In the event that any one or more of the provisions contained in this Agreement 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 Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

**28. Debarment and Suspension.** Pursuant to Executive Orders 12549 and 12689, a contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains 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. When federal funds are expended by HCDE under this Agreement, Contractor certifies that during the term of this Agreement, Contractor certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency or by the State of Texas. Contractor shall immediately provide written notice to HCDE if at any time Contractor learns that this certification was erroneous when submitted or has become erroneous by reason of changed circumstances. HCDE may rely upon Contractor's certification that Contractor is not debarred, suspended, ineligible, or voluntarily excluded from the covered contract, unless HCDE knows the certification is erroneous.

**29. Invoices.** Contractor is required to submit original invoices to the HCDE Business Office ATTN: Accounts Payable. The invoices can be mailed through the postal service to HCDE Business Office ATTN: Accounts Payable, 6300 Irvington Boulevard, Houston, Texas 77022, or emailed to [accountspayable@hcde-texas.org](mailto:accountspayable@hcde-texas.org).

The invoices should include the following:

Date of invoice

Period of service

List of services provided

Location where services were provided

Invoice number

Contact information

Deliverables under the contract

Certification of service provided through a signature by company representative

Contractor is required to submit to HCDE a completed IRS Form W-9, Criminal History Certification, Felony Conviction Notice, Conflict of Interest Questionnaire, and any other forms required of HCDE before payment is rendered. Payment to Contractor shall be made only after Services are performed and not before. Advance payment to Contractor is strictly prohibited.

Contractor shall submit invoices within a timely manner during HCDE's fiscal year in which the good(s) and/or services are purchased. In accordance with Texas Government Code § 2251.021, payments are due to Contractor within forty-five (45) days after the later of the following: (1) the date HCDE receives the goods under the Agreement; (2) the date the performance of the service under the Agreement is completed; or (3) the date HCDE receives an invoice for the goods or service. Contractor agrees to pay any subcontractors, if any, the appropriate share of the payment received from HCDE not later than the tenth (10th) day after the date Contractor receives the payment from HCDE. The exceptions to payments made by HCDE and/or Contractor listed in Texas Government Code § 2251.002 shall apply to this Agreement.

Failure to send the invoices to the Accounts Payable Office will delay payment. Contractor certifies that no work has been performed before the effective date of this Agreement. Invoices submitted by Contractor for work performed prior to the effective date of the Agreement may not be honored by HCDE, in HCDE's sole discretion.

**30. Compliance with Applicable Laws.** Contractor agrees to comply with all federal, state, and local laws, rules, regulations, and ordinances, as applicable, including, but not limited to the Education Department General Administrative Regulations ("EDGAR"), 2 C.F.R. Parts 200 and 3474, and 34 C.F.R. Parts 75-77 and 81. If applicable, Contractor certifies compliance with all provisions, laws, acts, regulations, rules, and ordinances as detailed in HCDE's Certifications form, "Required Contract Provisions for Non-Federal Entity Contracts under Federal Awards – Appendix II to 2 CFR Part 200," which is incorporated by reference herein. Contractor further certifies compliance with all applicable provisions, laws, acts, regulations, rules, and ordinances, including those referenced in any HCDE vendor packet completed by Contractor, which is incorporated by reference herein.

Contractor hereby certifies that it is not a company identified on the Texas Comptroller's list of companies known to have contracts with, or provide supplies or services to, a foreign organization designated as a Foreign Terrorist Organization by the U.S. Secretary of State. Contractor further certifies and verifies that neither Contractor, nor any affiliate, subsidiary, or parent company of Contractor, if any (the "Contractor Companies"), boycotts Israel, and Contractor agrees that Contractor and Contractor Companies will not boycott Israel during the term of this Agreement. For purposes of this Agreement, the term "boycott" shall mean and include terminating business activities or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory.

**31. Confidential Data of HCDE.** In the course of performing duties under this Agreement, Contractor may view, obtain, or have access to financial, accounting, statistical, personnel, and other information of a confidential nature concerning students and school districts 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 Agreement or after such Term.

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.

Contractor further acknowledges that to the extent Contractor receives confidential student information during the performance of duties under this Agreement, Contractor is considered a "school official" in accordance with the Family Educational Rights and Privacy Act ("FERPA"), 20 U.S.C. § 1232g, and shall not disclose confidential student information or education records.

**32. Warranties.** All goods and/or services provided by Contractor under this Agreement must be warranted to be free from defects in material, workmanship, and free from such defects in design for a period of one (1) year upon the later of HCDE's acceptance of the product and/or service or payment of the applicable invoice. Contractor warrants that all goods and/or services furnished under this Agreement shall conform in all respects to the terms of this Agreement, including any drawings, specifications, and/or standards incorporated herein, including, without limitation, those detailed in the procurement solicitation issued by HCDE. In addition, Contractor warrants that goods and/or services are suitable for and will perform in accordance with the purposes for which they are intended. Contractor shall assume all liabilities incurred within the scope of consequential damages and incidental expenses, as set forth in the vendor or manufacturer's warranty, which result from either delivery or use of product, which does not meet the specifications within this Agreement or the solicitation procurement.

**Insurance Requirements Waiver** – IF the Insurance Requirements are not applicable to the Services or if HCDE otherwise chooses to waive such requirements for purposes of this Agreement, the appropriate HCDE representative may waive the requirements by initialing here: →

Otherwise, Contractor must satisfy the Insurance Requirements specified in this Agreement.

In witness whereof, HCDE and Contractor have executed this Agreement to be effective on the date specified in Term above:

\_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

Harris County Department of Education

By: \_\_\_\_\_  
(Signature)

Jesus Amezcua, Ph.D., CPA, RTSBA  
Assistant Superintendent –Business Services  
6300 Irvington Blvd  
Houston, TX 77022-5618  
713-696-1371  
713-696-0740

**EXHIBIT A**  
**SCOPE OF WORK**

Contractor	HCDE
<ul style="list-style-type: none"><li>• Services/Obligations/Deadlines</li></ul>	<ul style="list-style-type: none"><li>• Obligations</li></ul>



# SERVICES AGREEMENT FOR HCDE REVENUE

This Services Agreement ("Agreement") is made and entered into by and between the Harris County Department of Education ("HCDE"), located in Houston, Texas 77022, and \_\_\_\_\_ ("\_\_\_\_"), located in \_\_\_\_\_, for \_\_\_\_\_ in accordance with the terms and conditions specified herein.

## Recitals

HCDE is a local governmental entity, established to promote education in Harris County, Texas. Both \_\_\_\_\_ and HCDE desire to set forth in writing the terms and conditions of their agreement. In consideration of the mutual covenants and conditions contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties intending to be legally bound agree as follows:

1. **Purpose.** The purpose of this Agreement is to state the terms and conditions under which HCDE will provide services for \_\_\_\_\_. \_\_\_\_\_ agrees to retain HCDE and HCDE agrees to provide services to \_\_\_\_\_ and to perform the duties and all necessary labor and resources needed to provide the services set forth in Article 3 Scope of Work.

2. **Term.** This Agreement is for services beginning \_\_\_\_\_ and ending \_\_\_\_\_ ("Term"). All extensions of this Agreement shall be subject to the terms and conditions specified herein.

3. **Scope of Work.** Exhibit A includes a detailed Scope of Work that sets out the services HCDE agrees to provide.

4. **Independent Contractor Status.** It is the intention of the parties that HCDE be an independent contractor and not an employee, agent, joint venturer, or partner of \_\_\_\_\_. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between \_\_\_\_\_ and either HCDE or any employee or agent of HCDE.

5. **Changes & Amendments.** This Agreement may be amended only by the mutual agreement of the parties, in a writing to be attached to and incorporated into this Agreement. All such changes shall be made in writing and agreed to by both parties.

6. **Assignment.** Neither this Agreement nor any duties or obligations under it shall be assignable by HCDE without the prior written acknowledgement and authorization of \_\_\_\_\_.

7. **Compensation.** \_\_\_\_\_ will pay HCDE \$\_\_\_\_\_, plus expenses of \$\_\_\_\_\_ per day for services provided in Exhibit A. \_\_\_\_\_ agrees to make payment to HCDE upon \_\_\_\_\_ and upon receipt of an invoice. HCDE will invoice \_\_\_\_\_ within thirty (30) days of the completion of services.

8. **Conflict of Interest.** During the Term of HCDE's service to \_\_\_\_\_, HCDE shall not, directly or indirectly, whether for HCDE'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 \_\_\_\_\_.

9. **Warranties and Limitation of Liability.** EXCEPT AS MAY OTHERWISE BE PROVIDED HEREIN, HCDE MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY KIND. TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, HCDE DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF PERFORMANCE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, OMISSIONS, COMPLETENESS, AND DELAYS. EXCEPT AS

**EXPRESSLY PROVIDED HEREIN OR AS REQUIRED BY LAW, UNDER NO CIRCUMSTANCES SHALL HCDE BE HELD LIABLE FOR EXEMPLARY, SPECIAL, PUNITIVE, CONSEQUENTIAL, OR INCIDENTAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS, BUSINESS REVENUE, OR GOODWILL DUE TO ANY CAUSE WHATSOEVER, EVEN IF HCDE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

**10. Indemnity.** \_\_\_\_\_ SHALL INDEMNIFY AND HOLD HARMLESS BOTH HCDE AND ITS OFFICERS, AGENTS, INDEPENDENT CONTRACTORS, AND EMPLOYEES FROM ALL SUITS, ACTIONS, LOSSES, DAMAGES, CLAIMS, OR LIABILITY OF ANY CHARACTER, TYPE, OR DESCRIPTION, INCLUDING WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL EXPENSES OF LITIGATION, COURT COSTS, AND ATTORNEY'S FEES FOR INJURY OR DEATH TO ANY PERSON, OR INJURY TO ANY PROPERTY, RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ARISING OUT OF, OR OCCASIONED BY, THE ACTS OF HCDE OR ITS AGENTS, INDEPENDENT CONTRACTORS, OR EMPLOYEES, IN THE EXECUTION OR PERFORMANCE OF THIS AGREEMENT, BUT ONLY TO THE EXTENT PERMITTED BY LAW.

**11. Performance.** HCDE further agrees that HCDE's services will be performed with reasonable care, skill, judgment, and experience, and in a professional business-like manner, with no direct supervision from \_\_\_\_\_. If HCDE is unable to complete the work in this manner based on the mutually agreed upon time, HCDE shall notify \_\_\_\_\_ in writing.

**12. Termination.** Either party for any reason upon thirty (30) days written notice may terminate this Agreement without cause. \_\_\_\_\_ will be responsible for payment for services that have been accepted by \_\_\_\_\_ up to the termination date.

**13. Force Majeure.** The parties to this Agreement 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.

**14. Intellectual Property.** HCDE represents that it has all intellectual property rights necessary to enter into and perform its obligations in this Agreement. Nothing in this Agreement grants \_\_\_\_\_ any rights to HCDE's materials, work product, or any other intellectual property developed or used in performance of this Agreement or otherwise.

**15. Notice.** Any notice provided under the terms of this Agreement by either party to the other shall be in writing and may be affected by certified mail, return receipt requested. Notice to either party shall be sufficient if made or addressed as to the address listed below Paragraph 19.

Each party may change the address at which notice may be sent to that party by giving notice of such change to the other party by certified mail, return receipt requested.

**16. Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. The mandatory and exclusive venue for the adjudication or resolution of any dispute arising out of this Agreement shall be a court of competent jurisdiction in Harris County, Texas.

**17. No Waiver of HCDE's Immunity.** The execution of this Agreement and the performance of HCDE of any of its obligations hereunder are not, and are not intended to waive or relinquish, and HCDE shall not waive or relinquish, any governmental, sovereign immunity or defense from or to liability or prosecution available to HCDE, its trustees, officers, employees, or agents under federal or Texas laws.

**18. Entire Agreement.** The Agreement and Exhibit A represent the entire and exclusive agreement between the parties thereto and replaces in their entirety any previous agreements, written or oral.

**19. Severability.** In the event that any one or more of the provisions contained in this Agreement 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 Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

In witness whereof, \_\_\_\_\_ and HCDE have executed this Agreement to be effective on the date specified in Term above:

\_\_\_\_\_  
By: \_\_\_\_\_  
(Signature)

Harris County Department of Education

By: \_\_\_\_\_  
(Signature)  
Jesus Amezcua, Ph.D., CPA, RTSBA  
Assistant Superintendent –Business Services  
6300 Irvington Blvd  
Houston, TX 77022-5618  
713-696-1371  
713-696-0740

**EXHIBIT A  
SCOPE OF WORK**

HCDE	(_____)
<ul style="list-style-type: none"><li>Services/Obligations</li></ul>	<ul style="list-style-type: none"><li>Obligations</li></ul>

# Interlocal Contract Between

## Harris County Department of Education and

Pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, this Interlocal Contract (the "Contract") is made and entered into between Harris County Department of Education ("HCDE") and \_\_\_\_\_ ("District") for the purpose of performing governmental functions and services and to state the terms, rights, and duties of the contracting parties during the 20\_\_-20\_\_ school year (\_\_\_/\_\_\_/20\_\_ – \_\_\_/\_\_\_/20\_\_). This Contract is entered into in accordance with and subject to the Master Interlocal Agreement between the parties, executed on \_\_\_\_\_.

### Arrangement with HCDE's INSERT Division

HCDE agrees to provide the services as described below. District agrees to pay for the services within thirty (30) days of receiving an invoice for the services.

Type(s) of Service(s)	Total	Cost Day/Hour	Total Cost
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
<b>Total:</b>			_____

Services rendered in accordance with this Contract shall be funded by District's use of \_\_\_\_\_ [funding source(s) (i.e., local dollars, grant funding, etc.)]. Payment for services rendered shall be allocated as follows: \_\_\_\_\_% funded by \_\_\_\_\_ [funding source]; and \_\_\_\_\_% funded by \_\_\_\_\_ [additional funding source, if applicable].

### Additional Terms

1. This Contract may be terminated by either party without cause with thirty (30) days advance written notice. HCDE's obligations under this Contract are contingent on it acquiring and maintaining sufficient staffing through reasonable efforts to satisfy its obligations under this Contract and all similar obligations under its contracts with other districts. In the event of termination, District will compensate HCDE for services provided up to the termination date.
2. This Contract constitutes the sole agreement of the parties relative to the purpose(s) of this Contract and supersedes any other oral or written understandings or agreements, with the sole exception of the Master Interlocal Agreement between the parties. This Contract may only be amended in writing with the consent of both parties. This Contract is not assignable.
3. This Contract shall be construed under the laws of the State of Texas and mandatory and exclusive venue in any action arising out of this Contract shall be in Harris County, Texas.
4. Each party paying for the performance of governmental functions must make those payments from current revenues available to the paying party.
5. 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 hereof.
6. This Contract does not create a joint venture or business partnership under Texas law.
7. The total amount of this Contract is an estimate based on data provided by both parties. Invoices will be sent by HCDE for services rendered during the term of this Contract.
8. In the event that the District makes a payment to HCDE with a credit card, the District agrees to pay to HCDE a surcharge fee consisting of any applicable credit card fees and costs borne by HCDE, including, without limitation, the processing fee(s) charged to HCDE by the credit card company(ies).
9. HCDE will make every attempt to provide the service detailed herein as indicated, however, some alterations in the staffing, timeline, and similar details within an individual discipline may be necessary. No changes to the services detailed herein will be made without the mutual written consent of both parties. In no case will the dollar amount of the Contract be exceeded without a formal contract amendment.
10. In accordance with Senate Bill 9, HCDE submits fingerprints to the State Board for Educator Certification (SBEC) for all new employees and pursues criminal history background checks annually on all HCDE employees.
11. Harris County Department of Education adheres to the Uniform Grant Guidance as codified in 2 CFR Part 200, or otherwise known as EDGAR (Education Department General Administrative regulations).

**Participation Agreement**  
**between Harris County Department of Education**  
**& \_\_\_\_\_**

This Participation Agreement ("Agreement") is made and entered into by and between Harris County Department of Education ("HCDE"), located in Houston, Texas, and \_\_\_\_\_, a non-profit corporation ("Non-Profit"), located in \_\_\_\_\_ (city), \_\_\_\_\_ (state), for the purpose of permitting Non-Profit to participate in any or all of the programs and services that HCDE offers, including, without limitation, HCDE's cooperative purchasing program, Choice Partners. The undersigned may be referred to in this Agreement individually as a "Party" and collectively as the "Parties."

**Preamble**

HCDE is a local governmental entity established to promote education in Harris County, Texas and is duly authorized to provide programs and services in the State of Texas. Non-Profit certifies, represents, and warrants that it is a non-profit, tax-exempt entity. Both HCDE and Non-Profit desire to set forth, in writing, the terms and conditions of their agreement.

**General Terms and Conditions**

In consideration of the mutual covenants and conditions contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Term. The term of this Agreement shall commence on the date of the first signature of this Agreement ("Effective Date") and shall automatically renew annually, unless either Party gives thirty (30) days prior written notice of non-renewal.
2. Agreement. The terms of this Agreement shall apply and will be considered a part of any addendum, purchase order, or contract for programs and services delivered by HCDE. This Agreement and the attached and incorporated addenda, purchase orders, or exhibits, if any, contain the entire agreement of the parties, and there are no representations, agreements, arrangements, or undertakings, oral or written, between the Parties to this Agreement other than those set forth in this Agreement and duly executed in writing.
3. Purpose and Scope of Work.
  - A. **HCDE agrees to:**
    - Provide Non-Profit with descriptive offerings of each of the programs and services that HCDE provides.
    - Provide programs and services upon Non-Profit's submission of independent contracts or purchase orders to HCDE and HCDE's acceptance thereof. HCDE's obligations to provide programs and services is contingent on HCDE acquiring and maintaining sufficient staffing through reasonable efforts to satisfy HCDE's obligations under this Agreement and all similar obligations under its contracts with other local governmental entities.
    - Conduct, at a minimum, an annual audit or survey, as appropriate, for each of the programs and services that HCDE delivers.

**B. Non-Profit agrees to:**

- Participate in any or all of the programs and services that HCDE offers, in Non-Profit's sole discretion.
  - Submit purchase order(s) or independent contract(s) for each of the HCDE programs and/or services that Non-Profit desires to purchase and/or collaborate.
  - Agree to follow the terms and conditions of each independent contract or purchase order.
  - Designate a person to act as Non-Profit's representative to each respective HCDE program and/or service delivered.
4. As is. HCDE makes this Agreement available to HCDE participating entities "as is" and is under no obligation to revise the terms, conditions, scope, prices, and/or any requirements of the Agreement for the benefit of Non-Profit.
5. Master Contract. This Agreement can be utilized as a Master Contract. The general terms and conditions in this Agreement will serve to outline the working relationship between HCDE and Non-Profit.

Non-Profit agrees to adhere to the specific terms and conditions set forth for the HCDE programs and/or services as contracted by Non-Profit. In the case of a conflict between this Agreement and any addendum, purchase order, or individual contract for a specific HCDE program or service, the provisions of the addendum, purchase order, or individual contract will govern.

6. Payments. The Parties agree that all payments made under this Agreement will be in an amount that fairly compensates the performing Party for the services or functions performed under this Agreement. The Parties further agree that each Party paying for the performance of governmental functions or services pursuant to this Agreement must make those payments from current revenues available to the paying Party.
7. Invoices. HCDE will invoice Non-Profit for the HCDE programs and services that Non-Profit purchases from HCDE. Non-Profit agrees to remit payment to HCDE within thirty (30) days after the later of the following: (1) the date Non-Profit receives the goods; (2) the date the performance of the service is completed; or (3) the date Non-Profit receives an invoice for the goods or service. If Non-Profit makes a payment to HCDE with a credit card, Non-Profit agrees to pay to HCDE a surcharge fee consisting of any applicable credit card fees and/or costs incurred by HCDE, including, without limitation, the processing fee(s) charged to HCDE by the credit card company(ies).
8. Participation in HCDE's Cooperative Purchasing Program. If Non-Profit elects to participate in HCDE's cooperative purchasing program, Choice Partners, Non-Profit shall be permitted to purchase goods and services using the contracts competitively procured by HCDE. HCDE does not assess a fee to Non-Profit for participation in Choice Partners. Non-Profit shall make payments directly to vendors. Non-Profit shall be responsible for ordering, inspecting, and accepting the goods and services purchased through Choice Partners. Non-Profit shall further be responsible for the vendors' compliance with provisions relating to the specific quality of goods and services delivered and terms of delivered, as set forth between Non-Profit and the vendor. HCDE is not responsible or liable for the performance of any vendor used by Non-Profit as a result of this Agreement or Non-Profit's participation in Choice Partners.

9. Compliance with Laws. Each Party is responsible for complying with applicable laws and regulations relating to this Agreement and any purchase made under this Agreement.
10. Termination. This Agreement may be terminated prior to the expiration of the Term hereof as follows:
- By either Party, with or without cause, upon thirty (30) days' prior written notice;
  - By mutual written agreement of the Parties; or
  - By either Party immediately if the other Party commits a material breach of any of the terms of this Agreement and no remedial action can be agreed upon by the Parties.
- Termination of this Agreement by a Party shall not terminate an existing purchase order or individual contract between HCDE and Non-Profit or between Non-Profit and an HCDE cooperative purchasing program vendor. In the event of termination of this Agreement or any purchase order or individual contract, Non-Profit shall be responsible for compensating HCDE for programs and services provided by HCDE up to the effective date of termination.
11. Assignment. Neither this Agreement nor any duties or obligations entered in subsequent contracts because of this agreement shall be assignable by either party without the prior written acknowledgment and authorization of both parties.
12. Conflict of Interest. During the Term of HCDE's service to Non-Profit, Non-Profit, its personnel and agents, shall not, directly or indirectly, whether for Non-Profit's own account or with any other person or entity whatsoever, employ, solicit or endeavor to entice away any person who is employed by HCDE.
13. Certificate of Interested Parties. HCDE is required to comply with House Bill 1295, which amended the Texas Government Code by adding Section 2252.908, Disclosure of Interested Parties. Section 2252.908 prohibits HCDE from entering into a contract with a business entity unless the business entity submits a Disclosure of Interested Parties (Form 1295) to HCDE at the time business entity submits the signed contract. Non-Profit agrees to complete the Certificate of Interested Parties electronically with the Texas Ethics Commission and submit the original signed, notarized certificate to HCDE with submission of this signed Agreement.
14. Contract Amendment. This Agreement may be amended only by the mutual agreement of all Parties, in writing, to be attached to and incorporated into this Agreement.
15. Notice. Any notice provided under the terms of this Agreement 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:

Harris County Department of Education

Attn: James Colbert, Jr.

County School Superintendent

6300 Irvington Blvd.

Houston, Texas 77022

713-694-6300

\_\_\_\_\_ (" Non-Profit")

Attn: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Phone: \_\_\_\_\_

16. Relation of Parties. It is the intention of the parties that Non-Profit is independent of HCDE and not an employee, agent, joint venturer, or partner of HCDE and nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee, agent, joint venturer or partner, between HCDE and Non-Profit or HCDE and any of Non-Profit's representatives.
17. Non-Exclusivity of Services. Nothing in this Agreement may be construed to imply that HCDE has exclusive right to provide Non-Profit with programs or services. During the Term of this Agreement, Non-Profit reserves the right to use all available resources to procure other programs and services as needed and, in doing so, will not violate any rights of HCDE.
18. Disclaimer. HCDE DOES NOT WARRANT THAT THE OPERATION OR USE OF HCDE PROGRAMS AND/OR SERVICES WILL BE UNINTERRUPTED OR ERROR FREE. HCDE HEREBY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, IN REGARD TO ANY INFORMATION, PRODUCT, PROGRAM, OR SERVICE FURNISHED UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
19. Limitation of Liability. Without waiver of the Disclaimer in Article 17 of this Agreement, the Parties agree that:
  - Neither Party waives any immunity afforded to it under applicable law; and
  - Neither Party shall be liable to the other Party for special, incidental, or exemplary damages with regard to any lawsuit or formal adjudication arising out of or relating to this Agreement.
20. Severability. In the event that any one or more of the provisions contained in this Agreement 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 Agreement shall be construed as if such invalid, illegality, or unenforceable provision had never been contained in it.
21. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflicts of law's provisions. The mandatory and exclusive venue for the adjudication or resolution of any dispute arising out of this Agreement shall be in Houston, Harris County, Texas.
22. No Waiver. Nothing in this Agreement shall be deemed to waive, modify, or amend any legal defense available at law or equity to a Party, including the defense(s) of immunity. No failure on the part of either Party at any time to require the performance by the other Party of any term hereof shall be taken or held to be a waiver of such term or in any way affect such Party's right to enforce such term, and no waiver on the part of either Party of any term hereof shall be taken or held to be a waiver of any other term hereof or the breach thereof. No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by duly authorized representatives of the Parties hereto.



23. Benefit for Signatory Parties Only. Neither this Agreement, nor any term or provisions hereof, not any inclusion by reference, shall be construed as being for the benefit of any party not in signatory hereto.
24. Authorization. Each party acknowledges that the governing body of each Party to the Agreement has authorized and approved this Agreement.
25. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original constituting one and the same instrument.

In witness whereof, HCDE and Non-Profit have executed this Agreement to be effective on the date specified in Article 1.  
Term above:

# Master Job Order Contract

This Master Job Order Contract ("Contract") is made by and between Harris County Department of Education ("Owner"), a political subdivision of the state of Texas, whose main office address is 6300 Irvington Boulevard, Houston, Texas 77022, and \_\_\_\_\_ ("Contractor"), whose main office address is \_\_\_\_\_ for Job Order Contracting Services, effective as of \_\_\_\_\_ (date).

## RECITALS

Whereas, Owner is in need of job order contracting services; and

Whereas, this Contract is for the provision of job order contracting services, to be performed on a non-exclusive, indefinite quantity basis, as requested by Owner, in accordance with the terms of this Contract;

Whereas, Contractor has been procured as a Job Order Contractor vendor under Harris County Department of Education ("HCDE") Choice Partners Contract # \_\_\_\_\_, and is available to Owner through the Choice Partners purchasing cooperative as permitted by Subchapter I, Chapter 2269 of the Texas Government Code; and

Whereas, Contractor represents that he has the knowledge, ability, skills and resources to provide such job order contracting services in accordance with the terms and requirements of this Contract.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained in this Contract, the receipt and sufficiency of which are hereby acknowledged, Owner and Contractor, intending to be legally bound, hereby agree as follows:

## I. DEFINITIONS

1.1 The term "**Owner**" means the Harris County Department of Education and includes Owner's duly authorized representative, including any person specifically authorized to act for Owner by executing the Contract and any modification thereto. Owner's duties include administration of the Contract, including the issuance of Job Order(s) and modifications and assessing progress; inspecting and periodically reporting on such performance and progress during the stated period of performance, and finally certifying as to the acceptance of the Work in its entirety or any portion thereof, as required by the Contract.

1.2 The term "**Contractor**" means \_\_\_\_\_ and includes Contractor's senior manager or its duly authorized representative, including any person specifically authorized to act for Contractor by executing the Contract and any modifications thereto. Contractor's duties include administration of the Contract and performance of the Work.

1.3 The term "**Contract**" as used herein means the documents that form the agreement between Owner and Contractor. The Contract consists of this agreement, including its exhibits and any

modifications thereto, any Job Order(s) that may be issued, Choice Partners Contract #\_\_\_\_\_, and Contractor's proposal submitted in response to the solicitation issued by HCDE/Choice Partners for Choice Partners Contract #\_\_\_\_\_, which are fully incorporated herein for any and all purposes.

1.4 The term "**Subcontract**" as used herein means any agreement, including purchase orders (other than one involving an employer-employee relationship) entered into by Contractor calling for equipment, supplies or services required for Contract performance, including any modifications thereto.

1.5 The term "**job order contracting**" means maintenance, repair, alteration, renovation, remediation or minor construction of a facility when the work is of a recurring nature but the delivery times, type, and quantities of the work required are indefinite.

1.6 The term "**Job Order**" means a specific written agreement between the Owner and the Contractor for Work to be performed under this Contract, in the form of Attachment A hereto.

1.7 The term "**Unit Price Guide**" means the unit price book specified by HCDE/Choice Partners in the procurement of Choice Partners Contract #\_\_\_\_\_.

1.8 The term "**Coefficient Multiplier**" means the numerical factor required to be applied pursuant to Contractor's award under Choice Partners Contract #\_\_\_\_\_ which is applied to the Unit Price Guide unit prices to cover all of Contractor's costs in performing the Work of a Job Order.

1.9 The term "**Non-Pre-priced items**" means the necessary, but incidental, parts of a Job Order that are not susceptible to unit pricing using the pre-priced tasks in the Unit Price Guide.

1.10 The term "**Work**" means the doing of all things described in, reasonably related to, and necessary, proper, or incidental to the work and services required by this Contract and/or a Job Order, whether in whole or in part, and includes all labor, materials, tools, resources, supplies, equipment, permits, insurance, transportation, supervision, management, operations, and performance of all tasks provided or to be provided by Contractor to fulfill Contractor's obligations under this Contract, including any specific project requirements defined and further described in any Job Order.

1.11 The term "**pre-priced item**" means pre-described and pre-priced tasks based on a unit price guide and coefficient multiplier.

## II. TERM OF AGREEMENT

2.1 **Term:** The initial term of this Contract is one (1) years and shall be effective \_\_\_\_\_(date) through \_\_\_\_\_(date). Owner may exercise renewal options for up to four additional one-year terms, in Owner's sole discretion, provided that Contractor is still an eligible vendor under the Choice Partners purchasing cooperative. Job Orders may be issued at any time during the term of this Contract. This Contract will remain in full force and effect during the performance of any Job Order issued by Owner.

2.2 **Completion of Work in Progress:** Owner has the option to extend the term of this Contract, or any renewal period, as necessary for Contractor to complete work on any Job Order approved by Owner prior to the expiration of the Contract.

### III. AUTHORIZED CONTRACT SUM

3.1 **Contract Sum:** The maximum aggregate contract expenditures for the initial one (1) year term is \_\_\_\_\_. The cost of each specifically authorized Job Order will be established in a "Job Order" issued by Owner and executed by Owner and Contractor. Established cost amounts shall not be increased except by written change order to a previously issued Job Order executed by Owner and Contractor. As required by Texas Government Code Section 2269.403, the Owner's Board of Trustees must approve any Job Order that exceeds \$500,000. The Owner's Board of Trustees may be required to authorize Job Orders for lesser amounts as required by local Board policy.

3.2 **No Minimum Amount of Work:** It is expressly understood that Owner is under no obligation to request any services from Contractor and no minimum amount of work is required under this Contract. All service requests will be made by Owner on an as-needed basis, subject to future agreement on the scope of the work and its cost(s), detailed in a specific Job Order.

### IV. SPECIFICATIONS AND DRAWINGS

4.1 **Retention of Drawings:** Contractor shall keep on the Work site a copy of any drawings and/or specifications for a Job Order and shall at all times give Owner access thereto. Anything mentioned in the specifications and not shown on the drawings, or shown on the drawings and not mentioned in the specifications, shall be of like effect as if shown or mentioned in both. In case of differences between drawings and specifications, the drawings shall govern. In case of discrepancy, either in the figures, drawings, or the specifications, the matter shall be promptly submitted to Owner, who shall promptly make a determination in writing regarding such discrepancy. Any adjustment by Contractor without such prior written determination shall be at Contractor's own risk and expense and without any liability to Owner for any adjustment made by Contractor. Owner shall furnish from time to time such detailed drawings and other information as considered necessary, unless otherwise provided.

4.2 **Shop Drawings:** Shop drawings means drawings submitted to Owner by Contractor showing in detail:

- a. the proposed fabrication and assembly of structural elements;
- b. the installation (i.e., form, fit and attachment details) of materials or equipment; and
- c. the construction and detailing of elements of the Work.

Shop drawings include sketches, diagrams, layouts, schematics, descriptive literature, illustrations, schedules, performance and test data, and similar materials furnished by Contractor to explain specific portions of the Work. Owner may duplicate, use, and disclose in any manner and for any purpose shop drawings delivered under the Contract.

4.3 Contractor shall coordinate all shop drawings, and review them for accuracy, completeness, and compliance with Contract and Job Order requirements and shall indicate its approval thereon as evidence of such coordination and review. Owner will indicate its approval or disapproval of the shop drawings in writing and if not approved as submitted shall indicate Owner's reasons therefore. Any work

done before such prior written approval by Owner shall be at Contractor's own risk and without any liability whatsoever to Owner.

4.3 Contractor shall submit to Owner for approval in writing an appropriate number of copies of all shop drawings. Sets of all shop drawings will be retained by Owner and one set will be returned to Contractor.

4.4 "As-built" Drawings and Shop Manuals: Contractor is required to submit two complete sets of "as-built" drawings to Contractor within 30 days after project acceptance. "As builds" shall be submitted on paper as well as electronically. Contractor must also submit three copies of shop manuals at that time if equipment has been installed as part of the Job Order.

4.5 Omissions from the drawings or specifications or the incorrect description of details of work which are manifestly necessary to carry out the intent of the drawings and specifications shall not relieve Contractor from performing such omitted or incorrectly described details of the Work.

4.6 Contractor shall check all of Owner's furnished drawings immediately upon receipt and shall promptly notify Owner of any discrepancies. Figures marked on drawings shall be followed in preference to scale measurements. Large scale drawings shall govern small scale drawings. Contractor shall compare all drawings and verify the figures before laying out the Work and will be responsible for any errors which might have been avoided thereby.

## V. USE OF SPECIFICATIONS, DRAWINGS AND NOTES

5.1 All drawings (to include as-built drawings), sketches, designs, design data, specifications, note books, technical and scientific data provided to Contractor or developed by Contractor pursuant to the Contract and all photographs, negatives, reports, findings, recommendations, data and memoranda of every description relating thereto, as well as all copies of the foregoing relating to the Work or any part thereof, shall be the property of Owner and may be used by Owner without any claim by Contractor for additional compensation, unless such material developed by Contractor does not result in an issued Job Order. In such cases, Contractor will receive reasonable reimbursement for the development of such materials before Owner uses them in any manner whatsoever. If Owner chooses not to use such materials and no Job Order was issued, Contractor shall not be entitled to any compensation by Owner for any expenses incurred by Contractor for the preparation or development of any of said materials, which includes any and all general overhead costs for preparation of the materials.

## VI. MATERIAL AND WORKMANSHIP

6.1 All equipment, material, and articles incorporated in the Work covered by this Contract shall be new and of the most suitable grade for the purpose intended, unless otherwise specifically provided in the Job Order. References in the Job Order and/or its specifications to equipment, material, article, or patented process by trade name, make, or catalog number, shall be regarded as establishing a standard of quality and shall not be construed as limiting competition.

6.2 Contractor shall obtain Owner's prior written approval of the machinery and mechanical and other equipment to be incorporated into the Work. When requesting approval, Contractor shall furnish to Owner in writing the name of the manufacturer, the model number, and other information concerning

the performance, capacity, nature, and rating of the machinery and mechanical and other equipment. When required by the Contract or by Owner, Contractor shall also obtain Owner's written approval of the material or articles which Contractor contemplates incorporating into the Work. When requesting approval, Job Order Contractor shall provide full information concerning the material or articles. Machinery, equipment, material and articles that do not have the required prior approval by Owner shall be installed or used at the Contractor's risk of subsequent rejection and Owner shall not be liable for any costs incurred by Contractor for said Machinery, equipment, material, articles.

## VII. CONTRACTOR'S GENERAL RESPONSIBILITIES

7.1 **In General:** Contractor agrees to provide general and specific job order contracting services on a per-project basis as requested by Owner in accordance with the terms of this Contract. Contractor shall furnish all of the materials and perform all of the Work described in a Job Order. Contractor shall do everything required by this Contract, the Job Order and any other requirements incorporated into this agreement or a specific Job Order by reference.

7.2 **Project Manager:** Contractor shall manage and provide all labor and material necessary and reasonably inferable for the complete performance of the Work on any project and/or Job Order authorized pursuant to this Contract.

7.3 **Standard of Care:** Contractor agrees to use commercially reasonable best efforts, skill, judgment, and abilities to perform the Work detailed in the Job Order in an expeditious and timely manner. Contractor shall at all times provide a sufficient number of qualified, skilled personnel, who shall be supervised by Contractor, to accomplish the Work within the time limits set forth in the Job Order. Contractor shall also be responsible for all damages to persons or property that occur as a result of Contractor's fault or negligence, and shall take proper safety and health precautions to protect the Work, the workers, the public, and the property of others. All Work under the Contract shall be performed in a skillful and workmanlike manner. Contractor and all subcontractors shall maintain all required licenses, certifications, permits, and any other documentation necessary to perform this Contract and all Work detailed in a Job Order. Unless otherwise specified in a Job Order, Contractor shall be responsible for any required testing of materials prior to incorporation into the Work.

7.4 **Compliance with Laws:** Contractor shall comply with all applicable federal, state, and local laws, regulations, codes, ordinances, orders and with those of any other body having jurisdiction over the project detailed in the Job Order. Contractor shall comply with all state and local building code requirements unless otherwise specifically detailed in the Job Order. Contractor is required to adhere to all applicable local, state, and national design codes and requirements as well as Owner's construction design standards.

7.5 **Existing Conditions:** Contractor shall use commercially reasonable best efforts to verify the accuracy and suitability of any drawings, plans, sketches, instructions, information, requirements, procedures, requests for action, and other data supplied to Contractor by Owner, or any other party, that Contractor uses for the Job Order.

7.6 **Correction of Work:** Contractor shall promptly correct any known or discovered error, omission, or other defect in the Work without any additional cost or expense to Owner.

7.7 **Phasing:** Contractor shall not proceed beyond any previously authorized phase of the Work for a project unless authorized by Owner in writing, except at the Contractor's own financial risk.

Applicable phases of the scope of work shall be identified in the Job Order Proposal.

7.8 **Representative:** Contractor shall designate a representative primarily responsible for the Work under this Contract and a specific Job Order. The designated representative shall act on behalf of Contractor with respect to all phases of the Work and shall be available as required for the benefit of any Job Order and Owner. The designated representative shall not be changed without prior written approval of Owner, which approval shall not be unreasonably withheld.

7.9 **Documentation:** Contractor shall fully document its project activities, in drawings, reports or other methods as appropriate to the scope of work and as identified in the Job Order Proposal and/or Job Order. Unless otherwise stated in the Job Order or provided by Owner, Contractor shall bear the cost of providing all plans, specifications and other documents used by Contractor and its consultants. **Owner will reimburse Contractor for the actual, documented costs of construction permits required for the performance of the Work as specified in the Job Order.** Unless otherwise stated in the Job Order, Contractor shall secure and pay for all governmental fees, licenses, and inspections necessary for the proper execution and completion of the Work.

7.10 Contractor shall be responsible for compliance with all safety rules and regulations of the Federal Occupational Safety and Health Act of 1970 (OSHA), all applicable state and local laws, ordinances, and regulations during the performance of the Work. Contractor shall indemnify Owner for fines, penalties, and corrective measures that result from the acts of commission or omission of Contractor, its subcontractors, if any, agents, employees, and assigns and its failure to comply with such safety rules and regulations.

## VIII. JOB ORDER PROCEDURES

### 8.1 Job Order Procedures

- a. At Owner's discretion, Owner will submit a Job Order Proposal Request to Contractor for the individual project(s). This request will include, at a minimum, the following: project number, project title, name of Owner's project manager, Owner's customer point of contact, location, the project architect and/or engineer, if any, and a general description of the project. If a Job Order requires architectural or engineering services that constitute the practice of architecture or engineering within the meanings of the Texas Occupations Code, Owner shall select or designate an architect or engineer to prepare the construction documents for the project.
- b. Upon receipt of the Job Order Proposal Request, Contractor shall promptly schedule a site visit with the Owner's project manager. The site visit will be conducted at a mutually agreed upon time, normally not later than three (3) business days from the time of notification.
- c. During the site visit, the following will be accomplished:
  1. Pre-construction site inspection
  2. Review and validate the description of work
  3. Develop draft detailed statement of work
  4. Mark-up existing drawings to show required work (when existing drawings are readily available)
  5. Discuss project with end-user customer, ensure proposed work meets their objectives
  6. Establish Contractor's due date for the Job Order Proposal

- d. Contractor will keep adequate notes of the site visit, including a before picture, in color, of the conditions, and provide a copy to Owner following completion of the site visit.
- e. Contractor shall submit Contractor's Job Order Proposal within three (3) business days of receipt of Owner's Job Order Proposal Request. Contractor's Job Order Proposal shall include the following:
  - i. A narrative description of Contractor's understanding of the project's scope of work;
  - ii. A description of particular phases of the scope of the work;
  - iii. A cost proposal detailing:
    - 1. the cost of the 'pre-priced' items as taken from the unit price guide (The cost proposal for each Job Order should be based substantially on the use of pre-priced items);
    - 2. the cost of any 'non-pre-priced' items (The proposed cost of all non-pre-priced items in the cost proposal shall include all of Contractor's cost items otherwise included in the coefficient multiplier used for pre-priced items. No coefficient multiplier shall be applied to non-pre-priced items;
    - 3. any other costs that the Contractor intends to charge to the project (Note that other costs include extraordinary costs that are unique to a specific project and not generally or reasonably included in the coefficient multiplier; other costs may be added only if authorized or confirmed in writing by Owner. Other costs may be calculated as a lump sum for the Job Order or on a "not to exceed" basis.);
    - 4. a statement that all Contractor fees, overhead expenses and general conditions are included in the cost proposal; and
    - 5. a lump sum figure for performing the Work, if appropriate;
  - iv. A description of all plans, specifications and other documents, including construction permits, to be used by Contractor in the performance of the Work;
  - v. A proposed time schedule showing the sequence in which Contractor proposes to perform the Work and dates on which Contractor proposes to complete each phase of the scope of the work, including a proposed date to commence the Work and a proposed completion date of the Job Order.
  - vi. If required by Owner, Contractor must submit a schedule chart, which may be a formal computerized schedule or a progress chart in a bar chart format of suitable scale to indicate appropriately the percentage of Work scheduled for completion by any given date during the period. The schedule chart, if required, must contain:
    - a. A list of the different types of work activities or work elements.
    - b. Show the logical dependencies (ties) to indicate what Work must be accomplished before other Work can begin.
    - c. Include proposed start and completion dates or time frames for each work activity or work element.
    - d. Calculate the "weighting" or relative worth each work activity or work element is of the total project either as a percentage or dollar amount.
    - e. Proposed traffic control methods providing all necessary traffic control, such as street blockages, traffic cones, flagmen, etc.
  - vii. Contractor's designated representative primarily responsible for the Work;
  - viii. A list of all subcontractors who Contractor proposes to use in the performance of the Work;
  - ix. Any qualifications or conditions applicable to the Job Order Proposal; and



- f. After Contractor's submission of its Job Order Proposal, Owner will review the Job Order Proposal and either proceed to issuance of a Job Order or schedule a time to review the Job Order Proposal with Contractor and negotiate any changes, clarifications or modifications.
- g. Following the review of Contractor's Job Order Proposal, Owner shall issue Job Order in writing, in a form materially consistent with Attachment A hereto, incorporating any changes, clarifications or modifications to Contractor's Job Order Proposal made in the review process, and attaching the final Job Order Proposal as an exhibit.
- h. Once issued, the Job Order is a not to exceed contract amount for the Job Order. No line item will be added to a Job Order because a line item was excluded by Contractor in Contractor's Job Order Proposal or draft or final Job Order; however, the Owner shall have no obligation to pay for goods or services contained in the Job Order Proposal that are not provided.
- i. **Notice to Proceed:** If a Commence Date is not stated in the specific Job Order, Owner shall issue a written Notice to Proceed. The Notice to Proceed authorizes the Contractor to begin the Work identified in the Job Order on the date fixed in the Notice to Proceed. Upon the Commencement Date specified in the Job Order or Notice to Proceed, Contractor is fully responsible for the scheduling, quality control, safety, and all other aspects of the management of the project detailed in the Job Order. Owner may make periodic inspections of the job site to ensure compliance; however, quality control is ultimately the Contractor's responsibility.
- j. **Quality Assurance/Quality Control Plan:** If requested by the Owner for a particular Job Order, Contractor shall submit, for Owner approval, a Quality Assurance/Quality Control Plan. This plan should address all aspects of quality control including responsibility for surveillance of work, documentation, trend analysis, corrective action and interface with the Owner's inspectors.
- k. **Weekly Reports:** Contractor is required to submit weekly progress reports on each active Job Order electronically or in paper form to Owner at the end of each work week, which shall include a current schedule.
- l. **Schedule:** Time is of the essence in rendering the services hereunder. The Job Order shall include a time schedule for each phase of the Work for the Job Order, and Contractor agrees to perform all obligations and render services in accordance with the schedule(s) established in the Job Order. In emergency or non-standard situations, Owner may require Contractor to complete a Job Order on an expedited basis. All Job Orders are to be completed within the timelines agreed to by Owner and Contractor as detailed in the Job Order. If Contractor falls behind the schedule detailed in the Job Order, Contractor shall take steps necessary to improve its progress, including those that may be reasonably required by Owner. Without additional cost to Owner, Owner may require Contractor to increase the number of shifts, overtime operations, days of work, and/or the amount of construction plant or equipment, and to submit for approval any supplementary schedule or schedules in chart form as Owner deems necessary to demonstrate how the approved rate of progress will be regained.

- m. **Emergency Work:** Contractor will give top priority to any emergency work Owner may have and will allocate all resources necessary to accomplish such work in accordance with Owner's schedule requirements.

## IX. OWNER'S RESPONSIBILITIES

9.1 **Representative:** Owner designates the \_\_\_\_\_ or his/her designee as its representative authorized to act in Owner's behalf with respect to the Job Order(s). Contractor shall coordinate its work solely through the designated representative.

9.2 **Special Information:** Unless otherwise detailed herein or in the Job Order, Owner shall furnish available any relevant property, boundary, easement, right-of-way, topographic and utility surveys; plans and specifications; and other special data and conditions relevant to the project. Owner makes no warranties or representations as to the accuracy or suitability of information provided to Contractor by Owner or by others.

9.3 **Entry on Land:** Owner shall assist Contractor in gaining entry to Owner's property as necessary for Contractor to perform its services under this Contract.

9.4 **Review of Work:** Owner will review the Work in progress as appropriate. At the completion of the Job Order, Owner (or Owner's Architect/Engineer, if any) shall do a walk through to ensure that the Work is completed in accordance with the Job Order. Owner will notify Contractor in writing of any material error or omission or other defect in the Work or any conflict in the contract documents that Owner becomes aware of, but Owner shall have no obligation or duty to investigate whether such faults, defects, or conflicts exist.

9.6 **Time for Response:** Owner shall furnish required information and services and shall render approvals and decisions as expeditiously as necessary for the orderly progress of Contractor's services and of the Work.

## X. SITE INVESTIGATION AND CONDITIONS AFFECTING THE WORK

10.1 Contractor's acceptance of a Job Order entered into pursuant to this Contract shall constitute Contractor's acknowledgement that Contractor has taken steps reasonably necessary to ascertain the nature and location of the Work for the specific Job Order, and that Contractor has investigated and satisfied itself as to the general and local conditions which can affect the Work or its cost, including but not limited to:

- a. Conditions bearing upon transportation, disposal, handling, and storage of materials;
- b. The availability of labor, water, electric power, and roads;
- c. Uncertainties of weather, river stages, tides, or similar physical conditions at the site;
- d. The conformation and conditions of the ground; and
- e. The character of equipment and facilities needed preliminary to and during work performance.

10.2 Contractor's acceptance of a Job Order entered into pursuant to this Contract shall constitute Contractor's acknowledgement that Contractor has satisfied itself as to the character, quality, and

quantity of surface and subsurface materials or obstacles to be encountered insofar as this information is reasonably ascertainable from an inspection of the site, including all exploratory work done by Owner, as well as from the drawings and specifications made a part of this Contract.

10.3 **Owner Furnished Utilities:** Owner shall provide, at no cost to Contractor, wet and dry utilities and toilet facilities that are existing and available at each site for Work performed under the Job Order. If utilities and/or toilet facilities are not existing and available, the costs for such shall be included in the Job Order Proposal. It is the responsibility of Contractor to determine the extent to which existing Owner utilities are adequate for the needs of the Job Order.

10.4 **Asbestos Certification Statement:** If required by Owner, Contractor shall provide a certification statement for each Job Order, stating that no asbestos-containing materials or work is included within the scope of the Job Order. If required by Owner, Contractor shall provide, at completion of the Job Order, a notarized affidavit to Owner stating that no asbestos-containing materials or work was provided, installed, furnished or added to the project.

10.5 If required, Owner shall provide a survey in accordance with the Texas Asbestos Health Protection Rules prior to the commencement date of the Job Order. Contractor shall take whatever measures he deems necessary to insure that all employees, suppliers, fabricators, material men, subcontractors, or their assigns, comply with this requirement: All materials used on a Job Order shall be certified as non-Asbestos Containing Building Materials (ACBM). Contractor shall insure compliance with the following acts from Contractor and all of Contractor's subcontractors and assigns:

- a. Asbestos Hazard Emergency Response Act (AHERA—40 CFR 763-99 (7));
- b. National Emission Standards for Hazardous Air Pollutants (NESHAP—EPA 40 CFR 61, National Emission Standard for Asbestos;
- c. Texas Asbestos Health Protection Rules (TAHRP—Tex. Admin. Code Title 25, Part 1, Ch. 295C, Asbestos Health Protection

Every subcontractor shall provide a notarized statement that no ACBM has been used, provided, or left on a Job Order. Contractor shall provide, in hard copy and electronic form, all necessary material safety data sheets (MSDS) of all products used in the Job Order to the Texas Department of Health licensed inspector or Owner's architect or engineer, if any, who will compile the information from the MSDS and, finding no asbestos in any of the product, make a certification statement.

10.6 **Differing Site Conditions:** Contractor shall promptly, and before the conditions are disturbed, give a written notice to Owner of:

- a. Subsurface or latent physical conditions at the site which differ materially from those indicated in the Contract, or
- b. Unknown physical conditions at the site, of an unusual nature, which differ materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

10.7 **Investigation by Owner:** Owner shall investigate the site conditions promptly after receiving the notice. If the conditions do materially differ and cause an increase or decrease in Contractor's cost or the time required for performing any part of the Work, an equitable adjustment shall be made and

the Job Order modified in writing accordingly.

10.8 **Equitable Adjustment:** No request by Contractor for an equitable adjustment to the Job Order under this Article shall be allowed unless Contractor has given the written notice required. No request by Contractor for an equitable adjustment to the Job Order for differing site conditions shall be allowed if made after final payment under such Job Order.

## XI. INSPECTION OF CONSTRUCTION AND OWNER'S ACCEPTANCE OF WORK

11.1 **Contractor Inspection System:** Contractor shall maintain an adequate inspection system and perform such inspections as well as ensure that the Work called for conforms to the Job Order. Contractor shall maintain complete inspection records and make them available to Owner. All work is subject to inspection and testing by Owner at all places and at all reasonable times before final acceptance of the Work to ensure strict compliance with the terms of the Contract and the Job Order.

11.2 **Owner's Satisfaction:** All Work performed under this Contract shall be completed to the satisfaction of Owner's representative assigned to the Job Order. Owner's representative shall decide all questions regarding Contractor's performance under the Contract and Job Order, and such decisions shall be final and conclusive.

11.3 **Non-Conformance:** Contractor shall, without charge, replace or correct Work found by Owner not to conform to a Job Order's requirements, unless Owner consents, in writing, to accept the Work with an appropriate adjustment in contract price. Contractor shall promptly segregate and remove rejected material from the premises, if required by Owner.

11.4 **Failure to Conform:** If Contractor does not promptly replace or correct rejected Work, Owner may:

- a. By contract or otherwise, replace or correct the Work and charge the cost to Contractor, and/or
- b. Terminate the Contractor for default upon seven (7) days written notice.

11.5 **Liability:** Owner's approval or acceptance of Contractor's Work shall not release Contractor from any liability for any defects in the Work.

11.6 Owner inspections and tests, if any, are for the sole benefit of Owner and do not:

- a. Relieve Contractor of responsibility for providing adequate quality control measures;
- b. Relieve Contractor of responsibility for damage to or loss of the material before acceptance;
- c. Constitute or imply acceptance; or
- d. Affect the continuing rights of Owner after acceptance of the complete work.

11.7 The presence or absence of an inspector does not relieve Contractor from any Contract or Job Order requirement, nor is the inspector authorized to change any term or condition of the Job Order without Owner's written authorization.

11.8 Contractor shall promptly furnish, without additional charge, all facilities, labor, and material reasonably needed for performing such safe and convenient inspections and tests as may be required by Owner. Owner may charge to Contractor any additional cost of inspection or test when Work is not ready at the time specified by Contractor for inspection or test, or when prior rejection makes re-inspection or retest necessary. Owner shall perform all inspections and tests in a manner that will not unnecessarily delay the Work. Special, full size and performance tests shall be performed as described in the Job Order.

11.9 If, before acceptance of the entire Work, Owner decides to examine already-completed Work by removing it or tearing it out, Contractor, on request, shall promptly furnish all necessary facilities, labor, and material for this task. If the Work is found to be defective or nonconforming in any material respect due to the fault of Contractor or its Subcontractors, Contractor shall bear the expenses of the examination and of satisfactory reconstruction. However, if the Work is found to meet requirements, Owner shall make an equitable adjustment for the additional services involved in the examination and reconstruction, including, if completion of the Work was thereby delayed, an extension of the period of time for performance.

11.10 Substantial Completion means the date on which the Work, or an agreed-upon portion of the Work, is sufficiently complete so that Owner can occupy and use the Work or a portion thereof for its intended purposes. Unless otherwise specified in the Job Order, Owner shall accept, as promptly as practicable after completion and inspection, all Work required by the Job Order or that portion of the Work Owner determines can be accepted separately. Acceptance shall be final and conclusive, except for latent defects, fraud, gross mistakes amounting to fraud, or Owner's rights under any warranty or guarantee.

11.11 **Use and Possession Prior to Completion:** Owner shall have the right to take possession of or use any completed or partially completed part of the Work. Before taking possession of or using any work, Owner shall furnish Contractor a list of items of work remaining to be performed or corrected on those portions of the Work that Owner intends to take possession of or use. However, failure of Owner to list any item of work shall not relieve Contractor of responsibility for complying with the terms of this Contract or the Job Order. Owner possession or use shall not be deemed an acceptance of any work under this Contract. While Owner has such possession or use, Contractor shall be relieved of the responsibility for the loss of or damage to the Work resulting from Owner's possession or use. If prior possession or use by Owner delays the progress of the Work or causes additional expense to Contractor, and such expenses or delays are adequately documented and substantiated by Contractor, an equitable adjustment shall be made in the Job Order price and/or the period of performance, and the Job Order shall be modified in writing accordingly.

11.12 **Close-Out Documentation:** Contractor shall provide the following as part of the close-out documentation:

- a. An electronic file of all documentation specific to every job order project shall be submitted with close-out documents.
- b. All forms below must be included with the final payment documentation of the project, as applicable:
  - 1) Owner's Manual(s)
  - 2) MSDS
  - 3) Submittals (Ex: Paint colors, carpet, equipment, supplies, and etc.)
  - 4) Warranties
  - 5) Conditional Lien Release
  - 6) Copies of all applicable permits, licenses, and/or other regulatory documents.

- c. Contractor shall be required to submit any / all additional documentation that is related to any project upon request by the Director of Maintenance.

## **XII. PROTECTION OF EXISTING VEGETATION, STRUCTURES, UTILITIES AND IMPROVEMENTS; TRAFFIC CONTROL**

12.1 **Preservation:** Contractor shall preserve and protect all structures, equipment and vegetation (such as trees, shrubs, and grass) on or adjacent to the Job Order site, which is not to be removed and which does not unreasonably interfere with the Work required under the Job Order. Contractor shall **only remove trees when specifically authorized by Owner to do so**, and shall avoid damaging vegetation that will remain in place. If any limbs or branches of trees are broken during performance by the operation of equipment, or by workmen, Contractor shall trim those limbs or branches with a clean cut and paint the cut with a tree pruning compound as directed by Owner.

12.2 **Existing Improvements:** Contractor shall protect from damage all existing improvements and utilities at or near the Job Order site and on adjacent property of third parties, the locations of which are made known to or should be known by Contractor. Contractor shall repair any damage to those facilities, including those that are the property of third parties, resulting from failure to comply with the requirements of this Contract or the Job Order or failure to exercise reasonable care in performing the Work. If Contractor fails or refuses to repair the damage promptly, Owner may have the necessary repair work performed and charge the cost to Contractor.

12.3 **Traffic Control:** Contractor shall be responsible for providing all necessary traffic control, such as street blockages, traffic cones, flagmen, etc., as required for each Job Order. Proposed traffic control methods and costs shall be submitted to Owner for approval in Contractor's Job Order Proposal.

## **XIII. CLEANING UP AND REFUSE DISPOSAL**

13.1 Contractor shall at all times keep the Job Order site, including storage areas, free from accumulations of waste materials. Before completing the Work, Contractor shall remove from the premises any rubbish, tools, scaffolding, equipment, and materials that are not the property of Owner. Upon completing the Work, Contractor shall leave the site in a clean and orderly condition satisfactory to Owner. Contractor shall be responsible and liable for all construction refuse disposal containers and their removal from the site. Disposal of any hazardous materials not addressed and priced in the Job Order will be segregated for disposal by Owner unless Owner requires Contractor to dispose of the materials, in which case, an equitable adjustment in the price will be negotiated and agreed upon. Contractor shall not use Owner's trash containers for any reason.

## **XIV. WARRANTY OF CONSTRUCTION**

14.1 **Warranty:** In addition to any other warranties specified in any Job Orders, Contractor warrants, for the maximum period allowed by law, and except as otherwise specifically provided herein, that Work performed conforms to the Job Order and is free of any defect in equipment, material or design furnished, or workmanship performed by Contractor or any of its subcontractors or suppliers at any tier. The Contractor shall be obligated to repair or replace any defective or non-conforming Work for a period of one (1) year from the date of final acceptance of the Work. If Owner takes possession of any part of the Work before final acceptance, this one (1) year correction period shall continue for a period of one (1) year from the date possession is taken.

14.2 **Non-Conformance:** Contractor shall remedy, at Contractor's sole expense, any failure of the Work to conform to the Job Order, or any construction defect occurring during the warranty period. In addition, the Contractor shall remedy, at Contractor's expense, any damage to Owner's real or personal property, when that damage is the result of:

- a. Contractor's failure to conform to requirements in this Contract or the Job Order; or
- b. Any defect of equipment, material, workmanship, or design furnished by the Contractor.

If Contractor, after notice, fails to proceed promptly and remedy the problem within thirty (30) calendar days or within another period of time which has been agreed to in writing, in compliance with the terms of the warranty, Owner may have the defects corrected and the Contractor and its surety shall be liable for all expenses incurred.

14.3 **Restoration:** Contractor shall restore any work damaged in fulfilling the terms and conditions of this Section. Contractor's warranty with respect to work repaired or replaced will run for one (1) year from the date of repair or replacement. Owner shall notify Contractor, in writing, within a reasonable time after the discovery of any failure, defect, or damage. If Contractor fails to remedy any failure, defect, or damage within a reasonable time after receipt of notice, Owner shall have the right to replace, repair, or otherwise remedy the failure, defect or damage at Contractor's expense, and Contractor shall be liable to owner for any damages sustained by Owner as a result of the failure, defect, or damage.

14.4 **Third-Party Warranties:** With respect to all warranties, expressed or implied, from subcontractors, manufacturers, or suppliers for work performed and materials furnished for Job Orders issued under this Contract, Contractor shall:

- a. Obtain all warranties required by the Job Order;
- b. Require all warranties to be executed, in writing, for the benefit of Owner; and
- c. Enforce all warranties for the benefit of Owner;

14.5 **Warranty Expiration:** In the event Contractor's warranty under paragraph 14.1 of this Article has expired, Owner may bring suit to enforce a subcontractor's, manufacturers, or supplier's warranty.

14.6 **Owner Liability:** Unless a defect is caused by the negligence or intentional act or failure to act of Contractor or subcontractor or supplier at any tier, Contractor shall not be liable for the repair of any defects of material or design furnished by Owner or for the repair of any damage which results from any defect in Owner-furnished material or design. Contractor is not responsible for and does not warranty pre-existing work or facilities that may be assigned to Contractor except as stated in the Job Order.

14.7 This warranty shall not limit Owner's rights under this Contract and/or applicable law with respect to latent defects, gross mistakes, breach of contract or fraud.

## XV. PAYMENT

15.1 **Compensation:** Costs for equipment, material, and labor shall be in accordance with the Contract. Owner shall pay Contractor for Work performed on Job Orders authorized by Owner in writing, subject to allowable additions and deductions. Owner shall pay all unpaid and undisputed amounts due Contractor under this Contract within thirty (30) days of receipt of invoice. If payment is later than forty-five (45) days, interest will be set no higher than six percent (6%) per annum. If Work or any portion

thereof has not met the satisfactory approval of Owner's Representative, current and future payments shall not be made until both parties agree that the Work or the portion thereof has been completed in a satisfactory manner or the Work is acceptable. Notwithstanding any provision herein to the contrary, no payment of amounts owed hereunder shall be considered past due or not paid when due except in accordance with Section 2251.021 of the Texas Government Code.

15.2 **Progress Payments:** If required by the Job Order, Owner shall make progress payments monthly as the Work proceeds, or at more frequent intervals as determined by Owner, on estimates of Work completed submitted by Contractor and approved in writing by Owner. Contractor shall use an acceptable invoice form and shall include supporting documents to reflect a written breakdown of the total price showing the amount included therein for each principal category of the Work, in such detail as requested, to provide a basis for determining progress payments. In the estimation of Work completed, Owner will authorize payment for material delivered on the site and preparatory work done if Contractor furnishes satisfactory evidence that it has acquired title to such material and that the material will be used to perform the Work.

15.3 **Application for Payment:** With each Application for Payment, Contractor must attach/detail the following information:

- (1) Defective Work not remedied.
- (2) Legal claims filed against Contractor or reasonable evidence indicating probable filing of claims;
- (3) Failure of Contractor to make payments properly to any subcontractor or supplier for material or labor;
- (4) A reasonable doubt that the Job Order can be completed for the unpaid Job Order balance; and
- (5) Damage to another contractor.

15.4 **Payment Retention:** In the processing of progress payments, Owner shall retain five percent (5%) of the estimated amount until final completion and acceptance of all Work performed under the Job Order. Retention applicable to each Job Order shall be released within thirty (30) days after final completion of the Job Order and acceptance of the Work under the Job Order.

15.5 **Liquidated Damages:** Contractor is expected to complete each Job Order on a timely basis. Liquidated damages may be assessed at Owner's option for Contractor's failure to timely complete each Job Order and/or phase of the scope of work detailed in a Job Order. Owner may withhold as liquidated damages, or require Contractor to pay a "per day" amount, to be set forth in the Job Order, as liquidated damages for any Work not completed by the completion day set forth in the Job Order. These liquidated damages are not a penalty but are compensation to Owner for additional expenses incurred and inconvenience caused by Contractor's failure to allow Owner to receive the premises at the designated time of completion.

## **XVI. TERMINATION FOR CONVENIENCE OF OWNER**

16.1 **Termination:** Owner may, with or without cause, terminate performance of the Work under this Contract or any Job Order in whole or, from time to time, in part, if Owner determines that termination is in Owner's interest. Owner shall effect such termination by delivering to Contractor a Notice of Termination specifying the extent of termination and the effective date.

16.2 After receipt of a Notice of Termination, and except as directed by Owner, Contractor shall



immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this Article:

- a. Stop work as specified in the notice;
- b. Place no further subcontracts or orders (referred to as subcontracts in this Article) for materials, services or facilities, except as necessary to complete any Work not terminated;
- c. Assign to Owner, as directed by Owner, all right, title, and interest of Contractor under the subcontracts to the extent they relate to the Work terminated, in which case Owner shall have the right to settle or to pay any termination settlement proposal arising out of those terminations, or with approval or ratification to the extent required by Owner, Contractor shall settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts, the approval or ratification of which will be final for purposes of this Section;
- d. As directed by Owner, transfer title and deliver to Owner:
  - i. The fabricated or un-fabricated parts, Work in process, completed Work, supplies, and other material produced or acquired for the Work terminated, and
  - ii. The completed or partially completed plans, drawings, information, and other property that, if the Contract and/or Job Order had been completed, would be required to be furnished to Owner;
- e. Complete performance of the Work not terminated;
- f. Take any action that may be necessary, or that Owner may direct, for the protection and preservation of the property related to this Contract and/or the Job Order that is in the possession of Contractor and in which Owner has or may acquire an interest;
- g. Use its best efforts to sell, as directed or authorized by Owner, any property of the types referred to in paragraph 16.2(c) above; provided, however, that Contractor is not required to extend credit to any purchaser and may acquire the property under the conditions prescribed by, and at prices approved by, Owner. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by Owner under the Contract and/or Job Order, credited to the price or cost of the Work, or paid in any other manner directed by Owner.

## XVII. DEFAULT

**17.1 Termination of Right to Proceed:** If Owner determines that Contractor is not prosecuting the Work with sufficient diligence to ensure completion within the time specified in the Job Order, or fails to complete the Work within this time, Owner may terminate the Contractor's right to proceed with the Work (or separable part of the Work), upon seven (7) calendar days' written notice to the Contractor. In this event, Owner may take over the Work and complete it by contract or otherwise and may take possession of and use any materials, appliances, and plant on the site necessary for completing the Work.

Contractor's right to proceed shall not be terminated under this Section, if:

- a. The delay in completing the Work arises from unforeseeable causes beyond the control and without the fault or negligence of Contractor. Examples of such causes include:
  - i. acts of God or of the public enemy,
  - ii. acts of Owner in its contractual capacity,
  - iii. acts of another Contractor in the performance of a written Contract with Owner,
  - iv. fires,
  - v. floods,
  - vi. epidemics,
  - vii. quarantine restrictions,
  - viii. strikes,
  - ix. freight embargoes, or
  - x. unusually severe weather
- b. Contractor, within seven (7) calendar days from the beginning of any such delay (unless extended by Owner), shall notify Owner in writing of the causes of delay. Owner shall ascertain the facts and the extent of delay. If, in the judgment of Owner, the findings of fact warrant such action, the time for completing the Work under the Job Order shall be extended.

If, after termination of Contractor's right to proceed, it is determined that Contractor was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if the termination had been issued for the convenience of Owner. The rights and remedies of Owner in this Article are in addition to any other rights and remedies provided by law or under this Contract.

**17.2 Termination for Default:** In the event Contractor fails to carry out or comply with any of the terms and conditions of this Contract or any Job Order, Owner may notify Contractor of such failure or default in writing and demand that the failure or default be remedied within seven (7) calendar days; in the event Contractor fails to remedy such failure or default within seven (7) day period, Owner shall have the right to terminate this Contract and/or any Job Order. Without limiting the foregoing, the following shall constitute a material breach by Contractor, upon the occurrence of which Contractor shall immediately notify Owner: Contractor: (i) ceases its business operations; (ii) makes a general assignment for the benefit of creditors; (iii) is adjudged bankrupt; or (iv) becomes insolvent.

**17.3 Effect of Termination:** Termination of this Contract or any Job Order under any circumstances whatsoever shall not effect or relieve Contractor from any obligation or liability that may have been incurred or will be incurred, and such termination by Owner shall not limit any other right or remedy

available to Owner at law or in equity.

## **XVIII. CANCELLATION FOR CONFLICT OF INTEREST**

18.1 Pursuant to applicable law, Owner may cancel this Contract, without penalty or further obligation to Contractor, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Contract on behalf of the Owner was at any time while this Contract or extension of this Contract is in effect, an employee or agent of any other party to this Contract in any capacity or consultant to any other party of this Contract. A cancellation made pursuant to this provision shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time.

## **XIX. INSURANCE**

19.1 Contractor shall purchase and maintain in effect during the term of this Contract insurance of the types and with minimum limits of liability as stated below. Such insurance shall protect Contractor from claims which may arise out of or result from Contractor's operations whether such operations are performed by Contractor or by any subcontractor or by anyone for whose acts any of them may be liable.

- a. WORKERS' COMPENSATION INSURANCE providing statutory benefits in accordance with the laws of the State of Texas or any federal statutes as may be applicable to the Work being performed under this Contract.

- b. EMPLOYER'S LIABILITY INSURANCE with limits of liability not less than:

\$1,000,000	Each Accident
\$1,000,000	Policy Limits
\$1,000,000	Each Employee

- c. COMMERCIAL GENERAL LIABILITY INSURANCE including products/Completed Operations and Contractual Liability with limits of liability not less than:

Occurrence / Personal Injury / Advertising /

\$1,000,000 CSL	Products / Completed Operations
\$2,000,000 CSL	Annual Aggregate
\$2,000,000 CSL	Products Aggregate
\$1,000,000 CSL	Fire, Lightning or Explosion
\$5,000 Per Person	Medical Expense

- d. AUTOMOBILE LIABILITY INSURANCE covering all owned, hired and non- owned motor vehicles used in connection with the Work being performed under this Contract with limits of liability not less than:

19.2 Such insurance as is provided herein shall be primary and non-contributing with any other valid and collectible insurance available to Owner.

19.3 All policies providing Contractor's insurance as required in paragraph 19.1 above shall be endorsed to provide the following:

- a. Ninety (90) days written notice of cancellation or non-renewal given to Owner at the address designated in Section 23.
- b. Owner be named as Additional Insured on all policies except Workers Compensation (Prohibited by Law).
- c. Waiver of Subrogation added by endorsement on all policies.

19.4 The limits of liability as required above may be provided by a single policy of insurance or by a combination of primary, excess or umbrella policies. In no event, however, shall the total limits of liability available for any one occurrence or accident be less than the amount(s) required above.

19.5 Proof of compliance with these insurance requirements shall be furnished to Owner in the form of an original certificate of insurance signed by an authorized representative or agent of the insurance company(ies) within ten (10) days of execution of this Contract. Renewal or replacement certificates shall be furnished to Owner not less than twenty-one (21) days prior to the expiration or termination date of the applicable policy(ies). If Contractor fails to maintain the required amounts of insurance or allows the policies to lapse or expire during the term of the Contract, Owner may purchase said insurance and deduct the cost of obtaining the insurance from Contractor's contract sum.

19.6 Contractor shall require any and all subcontractors performing Work under this Contract to carry insurance of the types and with limits of liability as Contractor shall deem appropriate and adequate for the Work being performed. Contractor shall obtain and make available for inspection by Owner upon request current certificates of insurance evidencing insurance coverage carried by such subcontractors.

19.7 Mail the original certificate of insurance to:

---

---

---

---

## XX. CHANGES

20.1 Owner may, at any time, without notice to the sureties, if any, by written order designated or indicated to be a change order, make changes in the Work within the general scope of a Job Order, including changes:

- a. In the specifications (including drawings and designs);
- b. In Owner-furnished facilities, equipment, materials, services, or site; or
- c. Directing acceleration in the performance of the Work, or otherwise altering the schedule for performance of the Work.

20.2 Any other written order (which, as used in this paragraph, includes direction, instruction, interpretation, or determination) from Owner that causes a change shall be treated as a change order under this Article; provided, that Contractor gives Owner timely written notice stating the date, circumstances, and source of the order and that Contractor regards the order as a change order.

20.3 Except as provided in this Article, no order, statement, or conduct of Owner shall be treated as a change under this Article or entitle Contractor to an equitable adjustment hereunder.

20.4 Contractor must submit any proposal under this Article within thirty (30) calendar days after:

- a. Receipt of a written change order under Paragraph 20.1 above or;
- b. The furnishing of a written notice under Paragraph 20.2 above,

by submitting to Owner a written statement describing the general nature and amount of the proposal, unless this period is extended by Owner. The statement of proposal for adjustment may be included in the notice under Paragraph 20.2 above.

20.5 No proposal by Contractor for an equitable adjustment shall be allowed if asserted after final payment under the Job Order.

## **XXI. PAYMENT AND PERFORMANCE BONDS**

21.1 Payment Bond:

Contractor shall furnish a Payment Bond in the amount equal to one hundred percent (100%) of the contract amount if the Job Order is in excess of \$25,000.

21.2 Performance Bond:

Contractor shall furnish a Performance Bond in the amount equal to one hundred percent (100%) of the Job Order amount if the Job Order is in excess of \$100,000.00. The bonds must be executed by a corporate surety authorized to do business in Texas and licensed in Texas to issue surety bonds, and

must be executed by a surety company that is authorized and admitted to write surety bonds in Texas. If the amount of the bond exceeds \$100,000.00, the surety must:

- (a) Hold a certificate of authority from the U.S. Secretary of the Treasury to qualify as a surety on obligations permitted or required under federal law; or
- (b) Have obtained reinsurance for any liability in excess of \$100,000.00 from a reinsurer that is authorized and admitted as a reinsurer in Texas and is the holder of a certificate of authority from the U.S. Secretary of the Treasury to qualify as a surety or reinsurer on obligations permitted or required under federal law.

21.3 The Performance and/or Payment Bonds must be submitted to Owner before commencement of any work. The bonds must be made payable to Owner.

## XXII. PREVAILING WAGE RATES

22.1 Contractor shall comply with, and ensure each subcontractor complies with, all applicable laws regarding prevailing wage rates, including, but not limited to, Chapter 2258 of the Texas Government Code and any related federal requirements applicable to a Job Order. Contractor and all subcontractors shall comply with all state and federal laws including, but not limited to, laws of labor, minimum wage, safety, and equal employment opportunity. Contractor and all subcontractors must pay not less than the general prevailing wage rate plus any applicable fringe benefits. Contractor shall pay not less than the wage scale of the various classes of labor as detailed in the prevailing wage schedule detailed in Attachment B.

## XXIII. MISCELLANEOUS PROVISIONS

23.1 **Independent Contractor:** Contractor acknowledges that it is engaged as an independent contractor and that Owner shall have no responsibility to provide Contractor or its employees with transportation, insurance or other fringe benefits normally associated with employee status. Contractor is responsible for all income taxes required by applicable law. It is the intention of the parties that Contractor is independent of Owner and is not an employee, agent, joint venture, or partner of Owner. Contractor acknowledges that Owner has no responsibility for any conduct of any Contractor's employees, agents, representatives, contractors, or subcontractors.

23.2 **Confidentiality:** Contractor shall treat any information supplied by Owner or information pertaining to Owner as confidential and shall not disclose any such information to others except as necessary for the performance of this Contract or a Job Order or as authorized by Owner in writing or except when required by law.

23.3 **Successors and Assigns:** Owner and Contractor, respectively, bind themselves, their partners, successors, assigns and legal representatives to the other party to the terms and conditions of this Contract. This Contract is a personal service contract for the services of Contractor, and Contractor's interest in this Contract, duties hereunder and/or fees due hereunder may not be assigned or delegated to a third party without written consent of Owner. The benefits and burdens of this Contract are, however, assignable by Owner.

23.4 **Loss of Funding:** Performance by Owner under this Contract may be dependent upon the appropriation and allotment of funds by the Texas State Legislature (the "Legislature") and/or allocation

of funds by the Owner's Board of Trustees. If the Legislature fails to appropriate or allot the necessary funds, or the Board fails to allocate the necessary funds, then Owner shall issue written notice to Contractor and Owner may terminate this Contract without further duty or obligation hereunder. Contractor acknowledges that appropriation, allotment, and allocation of funds are beyond the control of Owner. The parties agree that this Contract and any Job Order issued by Owner are commitments of Owner's current revenue only. Every payment obligation of Owner under this Contract is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Contract or any Job Order, this Contract or any Job Order may be terminated by Owner at the end of the period for which funds are available.

**23.5 Open Records:** Contractor acknowledges that Owner is subject to the Texas Public Information Act, and Contractor waives any claim against and releases from liability Owner, its officers, employees, agents, and attorneys with respect to disclosure of information provided under or in this Contract or otherwise created, assembled, maintained, or held by Contractor or Owner and determined by Owner, the Attorney General of Texas, or a court of law to be subject to disclosure under the Texas Public Information Act.

**23.6 Franchise Tax Certification:** A corporate or limited liability company Contractor certifies that it is not currently delinquent in the payment of any franchise taxes due under Chapter 171 of the Texas Tax Code, or that the corporation or limited liability company is exempt from the payment of such taxes, or that the corporation or limited liability company is an out-of-state corporation or limited liability company that is not subject to the Texas Franchise Tax, whichever is applicable.

**23.7 Taxes:** Owner is tax exempt, and Contractor shall avail itself of all tax exemptions applicable to Contractor's work or expenses. Owner shall provide a tax exemption certificate to Contractor upon Contractor's request. Owner shall not be liable for any taxes resulting from this Contract, except where otherwise required by law.

**23.8 Captions:** The captions of paragraphs in this Contract are for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

**23.9 Severability:** Should any provisions(s) of this Contract be held invalid or unenforceable in any respect, that provision shall not affect any other provisions, and this Contract shall be construed as if the invalid or unenforceable provision(s) had not been included.

**23.10 Waivers:** No delay or omission by either party in exercising any right or power provided under the provisions of this Contract shall impair any such right or power or be construed to be a waiver of the right or power. A written waiver granted by either of the parties of any provision of this Contract shall not be construed as a future waiver of that provision or a waiver of any other provision of the Contract.

**23.11 Force Majeure:** No party shall be liable or responsible to the other for any loss or damage or for any delays or failure to perform under this Contract due to causes beyond its reasonable control, including, but not limited to, acts of God, employee strikes, epidemics, war, riots, flood, fire, sabotage, terrorist acts or any other circumstances of like character.

**23.12 Governing Law and Venue:** This Contract shall be construed, interpreted and applied in accordance with the laws of the State of Texas without regard for choice of law principles. All obligations of the parties created hereunder are enforceable in Houston, Harris County, Texas, which shall be the exclusive venue for any dispute hereunder.

23.13 **Entire Contract:** This Contract, as defined herein, constitutes the sole and only agreement between the parties with respect to the services contracted for and supersedes any prior understandings, written or oral. No modification, alteration or waiver of this Contract or any of its provisions shall be effective unless in writing and signed by both parties. No course of prior dealings, no usage of trade, and no course of performance shall be used to modify, supplement or explain any terms used in this Contract.

23.14 **Financial Interest:** By signature hereon, Contractor certifies that no member of Owner's Board of Trustees has a financial interest, directly or indirectly, in the transaction that is the subject of this Contract.

23.15 **Authority to Act:** If Contractor is a corporation or a limited liability company, Contractor warrants, represents, and agrees that (1) it is duly organized, validly existing and in good standing under the laws of the state of its incorporation or organization; (2) it is duly authorized and in good standing to conduct business in the State of Texas; (3) it has all necessary power and has received all necessary approvals to execute and deliver this Contract; and (4) the individual executing this Contract on behalf of Contractor has been duly authorized to act for and bind Contractor.

23.16 **Records:** Records of expenses pertaining to additional services, services performed on the basis of a Worker Wage Rate or Monthly Salary Rate, or reimbursable expense, if allowed, shall be kept on the basis of generally accepted accounting principles and in accordance with cost accounting standards promulgated by the Federal Office of Management and Budget Cost Accounting Standards Board and shall be available for audit by Owner or Owner's authorized representative on reasonable notice.

23.17 **Illegal Dumping:** Contractor shall ensure that it and all of its subcontractors prevent illegal dumping of litter in accordance with Title 5, Texas Health and Safety Code, Chapter 365.

23.18 **Interpretation:** Contractor agrees that the normal rules of construction that require that any ambiguities in the Contract are to be construed against the drafter shall not be employed in the interpretation of this Contract or any Job Order.

23.19 **Modification:** This Contract may only be modified by a written instrument executed by the parties to be incorporated into this Contract.

23.20 **Assignment:** Contractor may not assign this Contract or any of its rights, duties or obligations hereunder without the prior written approval of Owner. Any attempted assignment of this Contract by Contractor shall be null and void. Any Job Order made as a result of this Contract may not be transferred, assigned, subcontracted, mortgaged, pledged, or otherwise disposed of or encumbered in any way by Contractor without the prior written approval of Owner.

23.21 **Immunity:** Nothing in this Contract will be construed to waive, modify, or amend any legal defense available to Owner or any of Owner's past or present trustees, officers, agents, or employees, including, without limitation, governmental immunity from suit as provided by law.

#### XXIV. NOTICES



24.1 All notices, consents, approvals, demands, requests or other binding communications under this Contract shall be in writing. Written notice may delivered in person to the designated representative of the Contractor or Owner; mailed by U. S. mail to the last known business address of the designated representative; or transmitted by fax machine to the last known business fax number of the designated representative. Mail notices are deemed effective three business days after the date of mailing. Fax notices are deemed effective the next business day after faxing.

24.2 The initially designated representatives of the parties for receipt of notices are as follows. Either party may change their designated representative for receipt of notices by written notice.

24.2.1 If to OWNER:

24.2.2 With Copies to:

24.2.3 If to Contractor: \_\_\_\_\_ (Company Name)  
\_\_\_\_\_ (Address)  
\_\_\_\_\_ (City, State, Zip Code)  
\_\_\_\_\_ (Contact Person)  
\_\_\_\_\_ (Fax)

## XXV. OTHER CONTRACTS

25.1 Owner may undertake or award other contracts for additional work at or near the site of Work under this Contract or a Job Order. Contractor shall fully cooperate with the other contractors and with Owner's employees and shall carefully adapt scheduling and performing the Work under this Contract to accommodate the additional work, heeding any direction that may be provided by Owner. Contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or by Owner's employees.

25.2 Owner may award or enter into other contracts in its sole discretion, and nothing in this Contract may be construed to imply that Contractor has the exclusive right to provide job order contracting services to Owner.

## XXVI. INDEMNIFICATION

26.1 **CONTRACTOR SHALL INDEMNIFY AND HOLD HARMLESS OWNER, ITS AGENTS, EMPLOYEES, TRUSTEES AND OTHER OFFICERS FROM ANY AND ALL CLAIMS, LIABILITY, COSTS, SUITE OF LAW OR IN EQUITY, EXPENSES, ATTORNEYS' FEES, FINES, PENALTIES, OR DAMAGES ASSERTED AGAINST IT BY REASON OF THE INTENTIONAL OR NEGLIGENT ACTS OR OMISSIONS OF THE CONTRACTOR, ITS AGENTS, SERVANTS, SUBCONTRACTORS, AND EMPLOYEES IN THE PERFORMANCE OF THE CONTRACT.**

## **XXVII. CONTRACT ORDER OF PRECEDENCE**

27.1 In the event of an inconsistency between provisions of this Contract, the inconsistency shall be resolved by giving precedence in the following order:

- a. Contract Modifications, if any;
- b. this Contract, including exhibits;
- c. Job Orders;
- d. Drawings;
- e. Specifications;
- f. The contract documents for Choice Partners Contract # \_\_\_\_\_, including any addenda thereto;
- g. Contractor's proposal submitted in response to the solicitation for Choice Partners Contract # \_\_\_\_\_.

## **XXVIII. PARTY ANTITRUST VIOLATIONS**

28.1 Contractor assigns to Owner any claim for overcharges, resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to Contractor toward fulfillment of this Contract.

## **XXIX. AUDIT OF RECORDS**

29.1 Pursuant to applicable laws, the Contractor shall retain and shall contractually require each subcontractor to retain all data, books, documents and other records ("records") relating to this Contract for a period of five (5) years after completion of this Contract or any Job Order issued hereunder. This includes all books and other evidence bearing on Contractor's costs and expenses under this Contract or the Job Order. All records shall be subject to inspection and audit by the Owner at reasonable times, without cost to Owner. Upon request, Contractor shall produce the original of any or all such records. If approved by Owner, photographs, microphotographs or any authentic reproductions may be maintained instead of original records and documents. If an audit or a compliance review has been announced, Contractor shall retain its records and accounts until such audit or compliance review has been completed.

IN WITNESS WHEREOF, Owner and Contractor have executed and delivered this Contract effective as of the date identified above.

**Interlocal Agreement**  
**between Harris County Department of Education**  
**& \_\_\_\_\_**

Pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and Chapter 271, Subchapter F of the Texas Local Government Code, and other similar, applicable laws of other states, this Interlocal Agreement ("Agreement") is made and entered into by and between Harris County Department of Education ("HCDE"), located in Houston, Texas, and \_\_\_\_\_, a local governmental entity and/or political subdivision ("LGE"), located in \_\_\_\_\_ (city), \_\_\_\_\_ (state), for the purpose of contracting for the performance of governmental functions and services. The undersigned may be referred to in this Agreement individually as a "Party" and collectively as the "Parties."

**Preamble**

HCDE is a local governmental entity established to promote education in Harris County, Texas and is duly authorized to provide programs and services in the State of Texas. Both HCDE and LGE desire to set forth, in writing, the terms and conditions of their agreement.

**General Terms and Conditions**

In consideration of the mutual covenants and conditions contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

4. Term. The term of this Agreement shall commence on the date of the first signature of this Agreement ("Effective Date") and shall automatically renew annually, unless either Party gives thirty (30) days prior written notice of non-renewal.
5. Agreement. The terms of this Agreement shall apply and will be considered a part of any addendum, purchase order, or contract for programs and services delivered by HCDE. This Agreement and the attached and incorporated addenda, purchase orders, or exhibits, if any, contain the entire agreement of the parties, and there are no representations, agreements, arrangements, or undertakings, oral or written, between the Parties to this Agreement other than those set forth in this Agreement and duly executed in writing.
6. Purpose and Scope of Work.
  - A. **HCDE agrees to:**
    - Provide LGE with descriptive offerings of each of the programs and services that HCDE provides.
    - Provide programs and services upon LGE's submission of independent contracts or purchase orders to HCDE and HCDE's acceptance thereof. HCDE's obligations to provide programs and services is contingent on HCDE acquiring and maintaining sufficient staffing through reasonable efforts to satisfy HCDE's obligations under this Agreement and all similar obligations under its contracts with other local governmental entities.
    - Conduct, at a minimum, an annual audit or survey, as appropriate, for each of the programs and services that HCDE delivers.

**B. LGE agrees to:**

- Participate in any or all of the programs and services that HCDE offers, in LGE's sole discretion.
  - Submit purchase order(s) or independent contract(s) for each of the HCDE programs and/or services that LGE desires to purchase and/or collaborate.
  - Agree to follow the terms and conditions of each independent contract or purchase order.
  - Designate a person to act as LGE's representative to each respective HCDE program and/or service delivered.
4. As is. HCDE makes this Agreement available to HCDE participating entities "as is" and is under no obligation to revise the terms, conditions, scope, prices, and/or any requirements of the Agreement for the benefit of LGE.
5. Master Contract. This Agreement can be utilized as a Master Contract. The general terms and conditions in this Agreement will serve to outline the working relationship between HCDE and LGE.
- LGE agrees to adhere to the specific terms and conditions set forth for the HCDE programs and/or services as contracted by LGE. In the case of a conflict between this Agreement and any addendum, purchase order, or individual contract for a specific HCDE program or service, the provisions of the addendum, purchase order, or individual contract will govern.
6. Payments. The Parties agree that all payments made under this Agreement will be in an amount that fairly compensates the performing Party for the services or functions performed under this Agreement. The Parties further agree that each Party paying for the performance of governmental functions or services pursuant to this Agreement must make those payments from current revenues available to the paying Party.
7. Invoices. HCDE will invoice LGE for the HCDE programs and services that LGE purchases from HCDE. LGE agrees to remit payment to HCDE within thirty (30) days after the later of the following: (1) the date LGE receives the goods; (2) the date the performance of the service is completed; or (3) the date LGE receives an invoice for the goods or service. If LGE makes a payment to HCDE with a credit card, LGE agrees to pay to HCDE a surcharge fee consisting of any applicable credit card fees and/or costs incurred by HCDE, including, without limitation, the processing fee(s) charged to HCDE by the credit card company(ies).
8. Participation in HCDE's Cooperative Purchasing Program. If LGE elects to participate in HCDE's cooperative purchasing program, Choice Partners, LGE shall be permitted to purchase goods and services using the contracts competitively procured by HCDE. HCDE does not assess a fee to LGE for participation in Choice Partners. LGE shall make payments directly to vendors. LGE shall be responsible for ordering, inspecting, and accepting the goods and services purchased through Choice Partners. LGE shall further be responsible for the vendors' compliance with provisions relating to the specific quality of goods and services delivered and terms of delivered, as set forth between LGE and the vendor. HCDE is not responsible or liable for the performance of any vendor used by LGE as a result of this Agreement or LGE's participation in Choice Partners.
9. Compliance with Laws. Each Party is responsible for complying with applicable laws and regulations relating to this Agreement and any purchase made under this Agreement.

10. Termination. This Agreement may be terminated prior to the expiration of the Term hereof as follows:
- By either Party, with or without cause, upon thirty (30) days' prior written notice;
  - By mutual written agreement of the Parties; or
  - By either Party immediately if the other Party commits a material breach of any of the terms of this Agreement and no remedial action can be agreed upon by the Parties.
- Termination of this Agreement by a Party shall not terminate an existing purchase order or individual contract between HCDE and LGE or between LGE and an HCDE cooperative purchasing program vendor. In the event of termination of this Agreement or any purchase order or individual contract, LGE shall be responsible for compensating HCDE for programs and services provided by HCDE up to the effective date of termination.
11. Assignment. Neither this Agreement nor any duties or obligations entered in subsequent contracts because of this agreement shall be assignable by either party without the prior written acknowledgment and authorization of both parties.
12. Conflict of Interest. During the Term of HCDE's service to LGE, LGE, its personnel and agents, shall not, directly or indirectly, whether for LGE's own account or with any other person or entity whatsoever, employ, solicit or endeavor to entice away any person who is employed by HCDE.
13. Contract Amendment. This Agreement may be amended only by the mutual agreement of all Parties, in writing, to be attached to and incorporated into this Agreement.
14. Notice. Any notice provided under the terms of this Agreement 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:

Harris County Department of Education	_____ ("LGE")
Attn: James Colbert, Jr.	Attn: _____
County School Superintendent	Title: _____
6300 Irvington Blvd.	Address: _____
Houston, Texas 77022	City, State, Zip: _____
713-694-6300	Phone: _____
	Email: _____

15. Relation of Parties. It is the intention of the parties that LGE is independent of HCDE and not an employee, agent, joint venturer, or partner of HCDE and nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee, agent, joint venturer or partner, between HCDE and LGE or HCDE and any of LGE's representatives.

16. Non-Exclusivity of Services. Nothing in this Agreement may be construed to imply that HCDE has exclusive right to provide LGE with programs or services. During the Term of this Agreement, LGE reserves the right to use all available resources to procure other programs and services as needed and, in doing so, will not violate any rights of HCDE.
17. Disclaimer. HCDE DOES NOT WARRANT THAT THE OPERATION OR USE OF HCDE PROGRAMS AND/OR SERVICES WILL BE UNINTERRUPTED OR ERROR FREE. HCDE HEREBY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, IN REGARD TO ANY INFORMATION, PRODUCT, PROGRAM, OR SERVICE FURNISHED UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
18. Limitation of Liability. Without waiver of the Disclaimer in Article 17 of this Agreement, the Parties agree that:
- Neither Party waives any immunity afforded to it under applicable law; and
  - Neither Party shall be liable to the other Party for special, incidental, or exemplary damages with regard to any lawsuit or formal adjudication arising out of or relating to this Agreement.
19. Severability. In the event that any one or more of the provisions contained in this Agreement 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 Agreement shall be construed as if such invalid, illegality, or unenforceable provision had never been contained in it.
20. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflicts of laws provisions. The mandatory and exclusive venue for the adjudication or resolution of any dispute arising out of this Agreement shall be in Houston, Harris County, Texas.
21. No Waiver. Nothing in this Agreement shall be deemed to waive, modify, or amend any legal defense available at law or equity to a Party, including the defense(s) of immunity. No failure on the part of either Party at any time to require the performance by the other Party of any term hereof shall be taken or held to be a waiver of such term or in any way affect such Party's right to enforce such term, and no waiver on the part of either Party of any term hereof shall be taken or held to be a waiver of any other term hereof or the breach thereof. No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by duly authorized representatives of the Parties hereto.
22. Benefit for Signatory Parties Only. Neither this Agreement, nor any term or provisions hereof, not any inclusion by reference, shall be construed as being for the benefit of any party not in signatory hereto.
23. Authorization. Each party acknowledges that the governing body of each Party to the Agreement has authorized and approved this Agreement.
24. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original constituting one and the same instrument.

In witness whereof, HCDE and LGE have executed this Agreement to be effective on the date specified in Article 1. Term above:

# CONTRACTOR AGREEMENT

## BETWEEN

### HARRIS COUNTY DEPARTMENT OF EDUCATION AND

[ENTER CONTRACTOR]

This Contractor Agreement ("Agreement") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 201\_\_, by and between Harris County Department of Education, a county school district located at 6300 Irvington Boulevard, Houston, Texas 77022 ("HCDE") and [ENTER CONTRACTOR], located at [ENTER CONTRACTOR'S ADDRESS] ("Contractor"). HCDE and Contractor are sometimes referred to as "Parties" or either may singularly be referred to as "Party."

#### WITNESS THAT:

**WHEREAS**, Contractor was selected by HCDE and awarded Job/RFP No. [ENTER], to perform [ENTER] services;

**WHEREAS**, HCDE desires to contract with Contractor for [ENTER], in the total amount of [ENTER]; and

**WHEREAS**, the Parties desire to set forth the terms and conditions of their Agreement herein.

**NOW, THEREFORE**, in consideration of the mutual covenants, conditions, and obligations of the Parties set forth in the Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound do hereby agree as follows:

1. **Agreement Documents:** The Agreement shall include the following Agreement Documents: (1) the body of this Agreement; (2) the Exhibits attached to this Agreement; (3) the Construction Documents, if any, as defined herein; and (4) Valid Amendments made in accordance with Article 33.

2. **Definitions:** As used in the Agreement, the following terms shall have the meanings set forth below:

- a) The word "furnish" shall mean "to supply and deliver to the Project Site, ready for installation".
- b) The word "install" shall mean "to place in position for service or use".
- c) The word "provide" shall mean "to furnish and install, complete and ready for intended use".
- d) The term "Architect" shall mean the architect, if any, retained by HCDE in connection with the Project. If an Architect is retained by HCDE, the Architect will have the authority to act on behalf of HCDE only to the extent provided in the Agreement.
- e) The term "Construction Documents" means any drawings, plans, specifications, or other construction documents prepared by, or approved in writing by, HCDE relating to the Project, and any Valid Amendments thereto. Construction Documents do not include drawings, samples, plans, specifications drafted by or for Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier, or distributor to illustrate some portion of the Work.
- f) The term "Contract Time" means the period of time, including authorized adjustments, allotted in the Agreement for Substantial Completion of the Work.
- g) The term "day" means a calendar day, including Saturday, Sunday, and holidays, unless otherwise specifically defined.

- h) The term “Project” means [ENTER].
- i) The term “Project Site” means any physical location or locations where the Work is to be performed, including HCDE premises, any Work storage, parking, mobilization, or staging areas used to support the Work or perform any part of the Work.
- j) The term “Subcontractor” means a person or entity that has a direct contract with Contractor to perform a portion of the Work. The term “Subcontractor” is referred to throughout the Agreement as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term “Subcontractor” does not include any contractor who has a direct contract with HCDE (a “Separate Contractor”) or any subcontractors of a Separate Contractor.
- k) The term “Sub-subcontractor” means a person or entity that has a direct or indirect contract with a Subcontractor to perform a portion of the Work. The term “Sub-subcontractor” is referred to throughout the Agreement as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.
- l) The term “Substantial Completion” means the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Agreement such that HCDE can occupy or utilize the Work for its intended use.
- m) The term “Valid Amendment” means those supplements, amendments, changes, or modifications to the Agreement Documents that are made in accordance with Article 33.
- n) The term “Work” means the doing of all things described in, and all tasks reasonably related to the construction, work, and services required by the Agreement, whether completed or partially completed, and includes all other labor, materials, resources, equipment and services provided or to be provided by the Contractor to fulfill the Contractor’s obligations under Article 3. The Work may constitute the whole or a part of the Project and includes all supplies, skill, supervision, transportation services, and other facilities and things necessary, proper, or incidental to the carrying out and completion of the terms of the Agreement and all other items of cost or value needed to produce, construct, and fully complete the Scope of Work.

Technical terms not defined in the Agreement shall have the meanings given in AIA “Glossary of Construction Industry Terms” 1991 Edition. Technical terms not defined in the Glossary and used to describe items of Work and which so applied have a well known technical or trade meaning, shall be held to have such recognized meaning.

3. **Scope of Work:** Contractor agrees to perform the following Scope of Work for HCDE:

[ENTER DETAILED SCOPE OF WORK]

3.1 Contractor stipulates and agrees that HCDE has no duty to discover any design errors or omissions in any drawings, plans, specifications, or other Construction Documents and has no duty to notify Contractor of same. By entering into any agreement with an Architect, HCDE does not warrant the adequacy or accuracy of any drawings, plans, specifications, or other Construction Documents.

4. **Contractor’s Representations and Warranties:** In addition to other representations and warranties contained in the Agreement, Contractor represents and warrants the following to HCDE:

- a) that Contractor shall perform all of the Work in a good and workmanlike manner and in accordance with the requirements of the Agreement and standard industry practices;
- b) that Contractor is financially solvent, able to pay its debts as they mature, and possessed of



- sufficient working capital to complete the Work and to perform its obligations under the Agreement;
- c) that Contractor is able to and will furnish all necessary and available resources, including the tools, materials, supplies, equipment, and labor required to timely complete the Work and to perform its obligations hereunder;
  - d) that Contractor has, and acknowledges that HCDE is relying on Contractor's representation that it has, sufficient experience and competence to perform the Work ;
  - e) that Contractor is authorized to do business in the State of Texas and properly licensed by all necessary governmental, public, and quasi-public authorities having jurisdiction over Contractor, the Work, or the Project Site;
  - f) that the execution of the Agreement and Contractor's performance thereof are within Contractor's duly-authorized powers;
  - g) that the execution of the Agreement by Contractor is a representation that Contractor has visited the Project Site, become familiar with local conditions under which the Work is to be performed, and correlated personal observations with requirements of any Construction Documents. Contractor shall not be entitled to additional compensation for any additional work caused by its failure to carefully study or compare the Construction Documents prior to execution of the Work;
  - h) that materials and equipment furnished under the Agreement will be of good quality and new unless the Construction Documents require or permit otherwise. Contractor further warrants that the Work will conform to the requirements of the Agreement and will be free from defects, except for those inherent in the quality of the Work any Construction Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by HCDE or HCDE's consultants, including any Architect HCDE may retain for the Project, Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment;
  - i) that the services of any Subcontractors or any Sub-subcontractors will conform to the representations and warranties set out above; and
  - j) that Contractor will replace, repair, or re-perform Work at its sole expense until the Work meets the warranties set out above.

## **5. Supervision and Construction Procedures:**

5.1 Contractor shall supervise and direct the Work, using Contractor's best skill and attention. Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Agreement, unless otherwise stated in the Agreement.

5.2 Contractor shall be responsible to HCDE for acts and omissions of Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, Contractor or any of its Subcontractors.

## **6. Labor and Materials:**

6.1 Unless otherwise provided in the Agreement, Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

6.2 Contractor may make substitutions in the Work only with the consent of HCDE, after evaluation by HCDE and any consultant of HCDE and in accordance with a Change Order pursuant to Article 33.

**7. Contractor's Employees and Subcontractors:**

7.1 Contractor shall enforce strict discipline and good order among Contractor's employees and other persons carrying out the Work. Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

7.2 Contractor, Contractor's Subcontractors and Sub-subcontractors shall pay all workers not less than the general prevailing rate of the per diem wages for work of a similar character where the Project is located, as detailed in Exhibit A attached hereto and incorporated herein, and any applicable fringe benefits. The Project **[DOES / DOES NOT]** involve federal funds. Wages listed are minimum rates only. Contractor and all Subcontractors shall comply with all state and federal laws including, but not limited to, laws of labor, minimum wage, safety, and equal employment opportunity.

7.3 If applicable, Contractor shall comply with the criminal history provisions of Section 22.0834 of the Texas Education Code and Section 153.1117 of the Texas Administrative Code. The form of certification that Contractor has complied with the statutory requirements shall be supplied by HCDE upon request and must be supplemented by Contractor and any Subcontractors as required by law or as requested by HCDE.

**8. Construction by HCDE or by Separate Contractors:**

8.1 HCDE reserves the right to perform construction or operations related to the Project with HCDE's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the Project Site under terms and conditions of the Agreement identical or substantially similar to these, including those portions related to insurance and waiver of subrogation.

8.2 HCDE shall provide for coordination of the activities of HCDE's own forces and of each Separate Contractor with the Work of Contractor, who shall cooperate with them. Contractor shall participate with other Separate Contractors and HCDE in reviewing their construction schedules. Contractor shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by Contractor, Separate Contractors and HCDE until subsequently revised. Contractor shall reimburse HCDE for costs HCDE incurs that are payable to a Separate Contractor because of Contractor's delays, improperly timed activities, or defective construction.

9. **Clean-up:** Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Agreement. At completion of the Work, Contractor shall remove waste materials, rubbish, Contractor's tools, construction equipment, machinery and surplus materials from and about the Project. Upon completion of the Work, Contractor shall provide final clean-up of all surfaces, without limitation, including but not limited to cleaning all surfaces, removing any adhesives and stickers, removing all trash and debris, and the like. If Contractor fails to clean up as provided in the Agreement, HCDE may clean up and HCDE shall be entitled to reimbursement from Contractor.

10. **Access to the Work:** HCDE is not required to make any inspections to check the quality or quantity of the Work. However, Contractor shall provide HCDE and HCDE's consultants, including but not limited to any Architect retained by HCDE, access to the Work in preparation and progress wherever located. Neither the exercise of such access rights by HCDE, nor the failure on the part of HCDE to discover or reject non-conforming Work shall be deemed an acceptance of such non-conforming Work or a waiver of any rights under the Agreement.

11. **Contract Sum:** In exchange for Contractor's complete performance of its obligations under the Agreement, HCDE shall pay to Contractor the total sum of **[ENTER TOTAL DOLLAR AMOUNT]** (the "Contract Sum"). The Contract Sum covers the cost to Contractor of all materials and equipment necessary for the Work and all required taxes, less applicable trade discounts, Contractor's reimbursable bond costs, and Contractor's costs for unloading and handling at the Project Site, labor, installation costs, overhead, profit and other expenses associated with the Work. The Contract Sum is the total amount payable by HCDE to Contractor for performance of the Work under the Agreement.

12. **Progress Payments and Contractor's Statements:**

12.1 HCDE's payment of the Contract Sum to Contractor shall be made no later than forty-five (45) days after final completion of the Work, upon presentation of Contractor's Statement by Contractor in an amount not to exceed the Contract Sum, unless subsequently amended by written agreement of the parties or Change Order, in accordance with Article 33. Final payment shall be conditioned upon Contractor's completion of all punchlist work, Contractor's submission of all required close-out documents, and HCDE's receipt of final lien releases from Contractor, its Subcontractors and suppliers, conditioned only upon receipt of final payment in the form required by Texas Property Code Chapter 53.

12.2 At HCDE's sole election, HCDE may make monthly progress payments to Contractor, within forty-five (45) days of HCDE's receipt of Contractor's Statement. Payment applications

Contractor will furnish HCDE an itemized statement of completed portions of the Work and request payment therefore ("Statement"). Such Statement shall be supported by such data substantiating Contractor's right to payment as HCDE may require, such as copies of requisitions from Subcontractors and material suppliers, and shall reflect retainage if provided for in the Agreement.

12.3 Contractor warrants that title to all Work covered by a Statement will pass to HCDE no later than the time of payment. Contractor further warrants that upon submittal of a Statement all Work submitted on a previous Statement and payments received from HCDE shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.

12.4 A progress payment, or partial or entire use or occupancy of the Project by HCDE shall not constitute acceptance of Work not in accordance with the Agreement.

13. **Retainage:** HCDE shall withhold from payment(s) to Contractor a retainage of five percent (5%). The retainage shall be paid to Contractor upon Final Completion of the Work. Completion of the Work shall be considered final upon written approval by HCDE's designated representative.

14. **Taxes:** Contractor shall pay sales, consumer, use and similar taxes for the Work provided by Contractor that are legally enacted when the Agreement is executed, whether or not yet effective or merely scheduled to go into effect.

HCDE is exempt from the Texas Sales Tax on any purchase, lease or rental of tangible personal property and will issue Certificates of Exemption from the Texas State Sales Tax on materials furnished by Contractors on School Construction projects. Contractor shall abide by the sales tax exemption.

15. **Permits, Fees, Notices, and Compliance with Laws**

15.1 Unless otherwise provided in Agreement, Contractor shall secure and pay for any building permits as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Agreement and legally required at the time the Agreement is executed.

15.2 Contractor shall comply with, and takes full responsibility for complying with, safety rules, guidelines, standards, and requirements promulgated by the Occupational Safety and Health Administration (OSHA) applicable to the Project. Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

16. **Intellectual Property:** Contractor shall pay all royalties and license fees. Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold HCDE harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by Construction Documents, or where the copyright violations are contained in Construction Documents or other documents prepared by or for HCDE. However, if Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, Contractor shall be responsible for such loss unless such information is promptly furnished to HCDE.

17. **Construction Schedule:** Contractor has prepared and submitted a Contractor's construction schedule for the Work, attached hereto and incorporated herein as Exhibit B ("Construction Schedule"). The schedule shall be revised at appropriate intervals, in accordance with Article 33, as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Construction Documents, and shall provide for expeditious and practicable execution of the Work. Contractor shall perform the Work in general accordance with the Construction Schedule. Contractor shall submit to HCDE updated construction schedules as necessary to reflect appropriate schedule revisions and shall take whatever action is necessary and within its control to assure that the Project completion schedule is met.

18. **Professional Services:** Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Construction Documents for a portion of the Work or unless Contractor needs to provide such services in order to carry out Contractor's responsibilities for construction means, methods, techniques, sequences

and procedures. Contractor shall not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of Contractor by the Construction Documents, HCDE and HCDE's Architect, if any, will specify all performance and design criteria that such services must satisfy. Contractor shall cause such services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, and other documents prepared by such professional. HCDE shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications and approvals performed or provided by such design professionals, provided HCDE has specified to Contractor all performance and design criteria that such services must satisfy.

19. **Priority of Documents:** The Agreement shall prevail in case of an inconsistency among the Agreement, Job/RFP No. [ENTER], or Contractor's response to Job/RFP No. [ENTER]. Job/RFP No. [ENTER] shall prevail in case of an inconsistency with Contractor's response to Job/RFP No. [ENTER]. In the case of an inconsistency between the Agreement and Contractor's response to Job/RFP No. [ENTER] not clarified by a Valid Amendment, Contractor is deemed to have included the better quality or greater quantity of Work in the Contract Sum.

In the case of an inconsistency among the body of this Agreement (including Valid Amendments thereto), the accompanying Exhibits (including Valid Amendments thereto), and the Construction Documents (including Valid Amendments thereto), the provisions of the body of this Agreement shall control.

In the case of an inconsistency between the provisions of the Agreement and any Change Order not in accordance with Article 33, Contractor's work ticket, invoice, statement, purchase order, published rate schedule, or any other type of memoranda between HCDE and Contractor pertaining to the subject matter in the Agreement, the provisions of the Agreement (including Valid Amendments thereto) shall control.

Nothing in this Article prohibits Valid Amendments to be made in accordance with Article 33.

20. **HCDE's Right to Stop the Work and Right to Carry Out the Work:**

20.1 HCDE may temporarily stop the Work, at any time, for HCDE's convenience and without cause, for a period not to exceed two (2) weeks, upon three (3) days written notice to Contractor. The Work may be temporarily stopped for a period longer than two (2) weeks by a Valid Amendment in accordance with Article 33. If the Work is temporarily stopped at HCDE's request, the Contract Time shall be adjusted accordingly in accordance with Article 33.

20.2 If Contractor fails to correct Work that is not in accordance with the requirements of the Agreement or repeatedly fails to carry out Work in accordance with the Agreement, HCDE may issue a written order to Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of HCDE to stop the Work shall not give rise to a duty on the part of HCDE to exercise this right for the benefit of Contractor or any other person or entity, except as may otherwise be provided in the Agreement.

20.3 If Contractor defaults or neglects to carry out the Work in accordance with the Agreement and fails, within a ten-day period after receipt of written notice from HCDE, to commence and continue

correction of such default or neglect with diligence and promptness, HCDE may, without prejudice to other remedies HCDE may have (including, but not limited to, termination of the Agreement), correct such deficiencies. In such case, an appropriate Change Order shall be issued, in accordance with Article 33, deducting from payments then or thereafter due Contractor the reasonable cost of correcting such deficiencies, including HCDE's expenses and compensation for additional services, if any, by HCDE's consultants, including but not limited to an Architect retained by HCDE, made necessary by such default, neglect or failure. If payments then or thereafter due Contractor are not sufficient to cover such amounts, Contractor shall pay the difference to HCDE.

21. **HCDE's Right to Occupy:** HCDE and Contractor agree that HCDE may occupy or use, without prejudice to the right of either Party, any completed or largely completed portions of the Project, notwithstanding the time for completing the entire Work or such portions may not have expired. Such beneficial occupancy and use shall not constitute Substantial Completion or HCDE's acceptance of any work not in accordance with the Agreement.

22. **Date of Commencement:** The date of commencement of the Work is **[ENTER]** Contractor shall not knowingly, except by agreement or instruction of HCDE in writing in accordance with Article 33, prematurely commence operations on the Project Site or elsewhere prior to the effective date of insurance required by Article 26 to be furnished by Contractor. The date of commencement of the Work shall not be changed by the effective date of such insurance.

23. **Date of Substantial Completion:** **[ENTER]. The Date of Final Completion is thirty (30) days after Substantial Completion.**

23.1 Time limits stated in the Agreement are of the essence of the Agreement. By executing the Agreement, the Contractor confirms that the Contract Time is a reasonable period for performing the Work. Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion and Final Completion within the Contract Time.

23.2 HCDE and Contractor agree that Contractor's failure to meet the deadlines established in the Agreement will cause damage to HCDE, but such damage is difficult to establish. It is therefore expressly agreed, as a part of the consideration inducing HCDE to execute the Agreement, that Contractor's failure to achieve Substantial Completion and Final Completion by the agreed dates shall result in liquidated damages in the amount of **\$[ENTER]** per day for each and every day after the date of which Substantial Completion and Final Completion are to occur until Substantial Completion and Final Completion are achieved. Contractor agrees that HCDE may deduct liquidated damages from the final payment made to Contractor or from any compensation otherwise to be paid to Contractor. It is expressly understood that payment of liquidated damages in the amount of **\$[ENTER]** per day is agreed upon as a fair estimate of the pecuniary damages which will be sustained by HCDE in the event that the Work is not substantially completed or finally completed within the agreed times, or within the legally extended times, if any, otherwise provided herein. Said sum shall be considered as liquidated damages only and in no sense shall be considered a penalty, said damage being caused by additional compensation to personnel, for loss of interest on money and other miscellaneous increased costs, all of which are difficult of exact ascertainment.

23.3 When Contractor considers that the Work, or a portion thereof, which HCDE agrees to accept separately, is substantially complete, Contractor shall prepare and submit to HCDE a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of Contractor to complete all Work in accordance with the Agreement.

23.4 When Contractor considers that the Work is Finally Complete, Contractor shall prepare and submit to HCDE written notice that the Contractor finds the Work to be Finally Complete. Completion of the Work shall be considered final only upon written approval of Final Completion and acceptance of the Work by HCDE's designated representative. Final payment of the Contract Sum, constituting the unpaid balance of the Contract Sum, shall not be paid until the Work has been finally completed and accepted by HCDE's designated representative, in writing. Final payment shall be paid by HCDE to Contractor within thirty (30) days of HCDE's approval of Final Completion and acceptance of the Work.

23.5 If HCDE disputes a portion of any payment due to Contractor under the Agreement, HCDE may withhold any such disputed amounts, without interest, for a period of forty-five (45) days after such payment would otherwise have been due to Contractor, as long as HCDE makes a reasonable attempt to resolve the dispute with Contractor. If, after such forty-five (45) day withholding period, HCDE continues to dispute any portion of the payment, HCDE may continue to withhold any such disputed amount until the dispute is resolved, except that, if HCDE is found to have wrongfully withheld such disputed amount, Contractor shall be entitled to interest on the wrongfully withheld amount from the original date that payment of such amount was due to Contractor until the date HCDE pays such amount to Contractor in full. The interest rate under this section may not exceed the Judgment Rate published by the Office of Consumer Credit Commissioner.

23.6 If, within one year after the date of Final Completion of the Work, any of the Work is found to be not in accordance with the requirements of the Agreement, Contractor shall correct it, at Contractor's sole cost and expense, promptly after receipt of written notice from HCDE to do so. HCDE shall give such notice promptly after discovery of the condition. If Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from HCDE, HCDE may correct it in accordance with Article 20. Nothing contained in this Article 23.6 shall be construed to establish a period of limitation with respect to other obligations Contractor has under the Agreement. Establishment of the one-year period for correction of Work as described herein relates only to the specific obligation of Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Agreement may be sought to be enforced, nor to the time within which proceedings may be commenced to establish Contractor's liability with respect to Contractor's obligations other than specifically to correct the Work.

24. **HCDE's Right to Terminate:** The Agreement may be terminated by HCDE, with or without cause, upon written notice to Contractor. On the effective date of termination, as stated by HCDE, Contractor shall immediately cease Work after taking all actions necessary or as directed by HCDE for protection and preservation of the Work already performed. Contractor shall be entitled to payment for all Work performed up to the effective date of termination.

25. **Payment and Performance Bonds:** Contractor shall furnish (1) a Statutory Performance Bond for contract amounts over \$100,000.00 in an amount equal to One Hundred Percent (100%) of the Contract Sum as security for the faithful performance of the Agreement and (2) a Statutory Labor and Material Payment Bond for contract amounts over \$25,000.00 in an amount not less than One Hundred Percent (100%) of the Contract Sum as security for the payment of all persons performing labor on the project under the Agreement and furnishing materials in connection with the Agreement. The Performance Bond and the Labor and Material Payment Bond may be in one or in separate instruments in accordance with local law and shall be delivered to HCDE not later than the date of execution of the Agreement. Contractor shall require the attorney-in-fact who executes the required bonds on behalf of the surety to affix thereto a certified and current copy of the power of attorney. The bonds shall be executed by a corporate surety in accordance with Texas Insurance Code 7.19-1.

**26. Insurance:**

26.1 At its sole cost and expense, Contractor shall purchase from and maintain, in a company or companies with not less than an “A” rating and meeting the minimum qualifications outlined in Texas Insurance Code § 3503.001 for insurance companies insuring work related to public entities, lawfully authorized to do business in the jurisdiction in which the Project is located, such coverage in the following limits, on an occurrence basis, with HCDE named as an additional insured, as follows:

- a) Builders’ risk insurance in Contractor’s and HCDE’s names against loss or damage by fire or storm on the entire Work, including structures as well as materials and equipment adjacent thereto intended for use on the Project, in the amount of one hundred percent (100%) of the value;
- b) Workers’ Compensation (with Waiver of subrogation to HCDE) Employer’s Liability, including all states, U.S. Longshoremen, Harbor Workers and other endorsements, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, as required by statute and which meets the statutory requirements of Texas Labor Code Section 401.011(44) for all employees of Contractor providing services on the Project, for the duration of the Project Contractor shall comply with the requirements of Rule 28, TAC Section 110.110, Reporting Requirements for Building or Construction Projects for Governmental Entities.
- c) Public liability in limits of not less than \$1,000,000;
- d) Property damage in limits of not less than \$1,000,000;
- e) Statutory and Bodily Injury by Accident: \$100,000 each employee. Bodily Injury by Disease: \$500,000 policy limit \$100,000 each employee;
- f) Commercial General Liability Occurrence Form including, but not limited to, Premises and Operations, Products Liability Broad Form Property Damage, Contractual Liability, Personal and Advertising Injury Liability and where the exposure exists, coverage for watercraft, blasting collapse, and explosions, blowout, catering and underground damage.
  - \$300,000 each occurrence Limit Bodily Injury and Property Damage combined
  - \$300,000 Products-Completed Operations Aggregate Limit \$500,000 per Job Aggregate
  - \$300,000 Personal and Advertising Injury Limit
  - Bodily Injury liability of not less than \$1,000,000
- g) Automobile Liability Coverage
  - \$300,000 Combined Liability Limits Bodily Injury and Property Damage Combined

26.2 All policies of insurance required of Contractor herein shall waive all rights of subrogation against HCDE, its officers, employees, and agents. All policies of insurance, including any renewals thereof, must specify that such coverage will not be canceled or materially changed without a minimum of thirty (30) days prior written notice to HCDE. HCDE shall be named as an “additional insured” on all insurance policies. Contractor shall furnish certified copies of original insurance policies to HCDE before any Work is started by Contractor.

26.3 The insurance requirements stated herein do not establish limits of Contractor’s liability and are separate from and independent of any indemnification obligation of Contractor. HCDE reserves the right to require additional insurance from Contractor as HCDE deems necessary. Contractor shall also require that its Subcontractors provide evidence of insurance of the same types and amounts as Contractor herein, prior to conducting any Work on the Project.

26.4 HCDE and Contractor hereby mutually release each other (and their successors, assigns, subcontractors, agents, and employees) from liability and waive all right of recovery against the other for any loss or damage covered by their respective first party property insurance policies for all perils insured



thereunder. In the event of such insured loss, neither Party's insurance company shall have a subrogated claim against the other.

26.5 If Contractor fails to obtain or maintain any of the required insurance coverage, HCDE may obtain and maintain such insurance, and Contractor shall reimburse HCDE for the actual cost of such insurance within thirty (30) days after receipt of HCDE's invoice or HCDE may offset such amount against any payment due Contractor.

27. **Relationship of Parties:** Contractor is engaged under the Agreement as an independent contractor and not as an agent or employee of HCDE. Contractor is not entitled to benefits of any kind to which HCDE's employees are entitled, including but not limited to unemployment compensation, workers compensation, health insurance or retirement benefits. Contractor assumes full responsibility for payment of all federal, state and local taxes or contributions, including but not limited to, unemployment insurance, social security, Medicare and income taxes with respect to Contractor and Contractor's employees. The Agreement shall not be construed to create or imply any partnership or joint venture between the Parties hereto, nor shall it be construed or deemed an endorsement of a specific company or product. The Agreement does not authorize either Party to serve as the legal representative or agent of the other. Neither Party has any right or authority to assume, create, or incur any liability or any obligation of any kind, express or implied, against or in the name of or on behalf of the other Party.

28. **Indemnity: CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD HCDE, HCDE'S CONSULTANTS, AGENTS, AND EMPLOYEES HARMLESS FROM ANY AND ALL LOSS, EXPENSE, COST OR LIABILITY (INCLUDING REASONABLE ATTORNEY'S FEES AND EXPENSES), ARISING FROM ANY CLAIM OR CAUSE OF ACTION FOR ANY LOSS OR DAMAGE CAUSED BY OR ARISING FROM CONTRACTOR'S ACTS OR OMISSIONS.**

29. **Notices:** All notices, consents, and requests ("Notices") provided to be given under the Agreement shall be given by hand-delivery, certified mail or registered mail, addressed to the proper Party, at the addresses indicated at the bottom of the Agreement. Notices shall be deemed to have been duly served if delivered in person to the designated representative of the Party; or if delivered at, or sent by registered or certified mail or by courier service providing proof of delivery to, the address of the Party as listed below. Notices are effective upon receipt. Each Party may change the address at which Notices may be sent to that Party by giving advance written notice of such change to the other Party by certified mail, return receipt requested.

30. **Compliance With Laws:** Contractor agrees that it will, in its performance of its obligations hereunder, fully comply with all applicable laws, regulations and ordinances of all relevant authorities, including but not limited to those pertaining to safety, and shall maintain any and all applicable licenses, certifications, registrations or other approvals required to fully perform its obligations hereunder. Contractor represents and warrants that all improvements made to the property shall comply with the Americans with Disabilities Act and all other applicable codes, regulations and laws.

31. **No Waiver:** No action or failure to act by HCDE or Contractor shall constitute a waiver of a right or duty afforded either Party under the Agreement, including, but not limited to, the requirements of

Article 33, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing, signed by both Parties. The waiver by any Party of any right, obligation, or breach of the Agreement shall not be construed as a waiver of any other or subsequent right, obligation, or breach.

32. **No Third Party Beneficiaries:** The Agreement Documents, or any term or provisions thereof or any inclusion by reference, shall not be construed as being for the benefit of any party not in signatory thereto. No person, other than the Parties, is entitled to rely on any representation, warranty, covenant, or agreement contained herein.

33. **Amendment:** The Agreement may not be supplemented, amended, changed, or otherwise modified, except by a Valid Amendment, which requires an instrument in writing, to be attached to and incorporated in the Agreement in the form of either (1) a formal written amendment to the Agreement Documents signed and delivered by duly authorized representatives of both Parties hereto, or (2) a Change Order, issued by HCDE or its authorized representative, as provided in this section. The Agreement may not be supplemented, amended, changed, or otherwise modified by conduct of either Party, custom, usage of trade, or course of dealing.

33.1 **Change Orders:** If HCDE desires to increase the Scope of Work, the Parties will execute a written Change Order, signed by duly authorized representatives of both Parties hereto, increasing the Scope of Work and adjusting the Contract Sum and/or the Contract Time as mutually agreed by the Parties. In the event that HCDE desires to reduce the Scope of Work, HCDE may unilaterally issue a Change Order, signed by a duly authorized representative of HCDE only, reducing the Scope of Work and adjusting the Contract Sum and/or the Contract Time. If HCDE issues a Change Order reducing the Scope of Work, Contractor is entitled to payment for the portion of the deleted Work actually performed, if any, prior to the effective date of the Change Order. The Parties agree that in no event shall the action or failure to act by HCDE or Contractor constitute a waiver of requirements of this section, except as provided by Article 31.

In accordance with Texas Local Government Code § 271.060, the original Contract Sum may not be increased by more than twenty-five percent (25%). The original Contract Sum may not be decreased by more than twenty-five percent (25%) without the consent of Contractor.

34. **Attorney's Fees:** In the event either Party breaches any of the terms of the Agreement Documents whereby the Party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting Party agrees to pay the reasonable attorney's fees and expenses incurred by the non-defaulting Party, in addition to any other relief to which the non-defaulting Party may be entitled under the Agreement. This provision shall be construed as applicable to the entire Agreement.

35. **Entire Agreement:** The Agreement Documents shall constitute the complete and exclusive written expression of the intentions of the Parties hereto with respect to the Project and shall supersede all previous communications, representations, agreements, promises or statements, either oral or written, by and between either Party with respect to the Project. In the event of a conflict between this Agreement and the RFP or Contractor's proposal submitted in response to the RFP, this Agreement shall control. The Agreement Documents supersede any conflicting terms and conditions on any purchase or work orders, invoices, checks, order acknowledgements, forms, purchase orders, or similar commercial

documents relating hereto and which may be issued by Contractor after the Effective Date of this Agreement.

No supplements, retractions, amendments, modifications, or changes to the Agreement shall be valid unless they are Valid Amendments in accordance with Article 33. Any Valid Amendments to the Agreement must be in writing and signed by the required Party(ies) in accordance with Article 33. The Parties expressly agree that the Agreement shall not be construed against either Party.

36. **Governing Law and Venue:** The Agreement shall be governed by the law of the State of Texas, without regard to any provisions on conflicts of law. Venue for all legal proceedings related to the Agreement or the obligations thereunder shall be in Houston, Harris County, Texas, and the Parties hereby submit to the exclusive jurisdiction of the state and federal courts in Houston, Harris County, Texas.

37. **Severability:** In the event that any one or more of the provisions contained in the Agreement 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 of the Agreement, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

38. **Survival of Provisions:** All representations, warranties, covenants, indemnities, and other continuing obligations as expressly provided in the Agreement shall survive the expiration or earlier termination of the Agreement.

39. **Force Majeure:** Neither Party to the Agreement shall be liable for any failure to perform the terms of the Agreement when such failure is due to Force Majeure as defined in this Article. The term "Force Majeure" as used in the Agreement shall mean any delay or default in performance hereunder due to causes beyond the control of the Parties and without their fault or negligence that could not have been prevented or avoided by the affected Party through the exercise of due diligence, including, but not limited to" acts of God or the public; civil disturbances, arrests or restraints by rulers and people, acts, requests or interruptions of the federal, tribal, state, or local government or any agency thereof, or of any federal, tribal, state, or local officer purporting to act under duly constituted authority, court orders, present and future valid orders of any governmental entity, or any officer, agency or any instrumentality thereof, floods, wildfires, acts of the public enemy (including terrorists), wars, strikes, lockouts, or industrial disturbances, interruption of transportation, freight embargoes or failures, exhaustion or unavailability of equipment or services necessary to the performance of any provision herein due to allocations promulgated by authorized governmental entities , riots, rebellions, blockade, insurrection, sabotage, epidemics, invasions, landslides, earthquakes, quarantine, restrictions, breakage or accident to machinery or lines of pipe due to intervention of third party causes (not arising from the performance of the Work). Force majeure shall not include rainout or ordinary weather days that require Work stoppage, and in no event shall include routine scheduled equipment maintenance or breakage.

40. **Exhibits:** The following Exhibits (including Valid Amendments thereto) are attached hereto, as Agreement Documents, and fully incorporated herein by reference:

- a) Exhibit A: Prevailing Wage Rates
- b) Exhibit B: Construction Schedule

IN WITNESS WHEREOF the undersigned Parties hereto execute the Agreement as of this day and year indicated below.

HCDE: Harris County Department of Education  
6300 Irvington Boulevard  
Houston, Texas 77022

\_\_\_\_\_  
Dr. Jesus Amezcua  
Assistant Superintendent – Business Services  
Date: \_\_\_\_\_

CONTRACTOR: **[ENTER NAME]**

**[ENTER CONTRACTOR'S ADDRESS]**

\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

#### **EXHIBIT A to Contractor Agreement**

##### **PREVAILING WAGE RATES**

All Contractors and Subcontractors shall comply with all applicable laws regarding prevailing wage rates including, but not limited to, Texas Government Code Chapter 2258 and any related federal requirements applicable to this procurement by HCDE, including the Davis-Bacon Act. **All Contractors and Subcontractors shall comply with all state and federal laws including, but not limited to, laws of labor, minimum wage, safety, and equal employment**

**opportunity. All Contractors and Subcontractors must pay not less than the general prevailing wage rate as listed herein plus any applicable fringe benefits.**

The prevailing wage rates listed are to be considered the minimum to be paid, and the listing of prevailing wage rates shall not be construed to prohibit the payment of rates higher than those listed. The Contractor and Subcontractor(s) shall maintain an adequate workforce whether wage rates higher than those listed are required or not. HCDE will not consider claims for additional compensation because of payments of wage rates in excess of the applicable rates listed herein.

Chapter 2258 of the Texas Government Code applies to the construction of a public work, including a building, highway, road, excavation, and repair work or other project development or improvement, paid for in whole or in part from public funds, without regard to whether the work is done under public supervision or direction. Section 2258.021 mandates that a worker employed on a public work other than maintenance work be paid not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the work is performed and not less than the general prevailing wage rate of per diem wages for legal holiday and overtime work. A worker is employed on a public work if the worker is employed by a contractor or subcontractor in the execution of a contract for the public work with HCDE.

**For projects involving federal funds**, HCDE has adopted the prevailing wage rate as determined by the U.S. Department of Labor in accordance with the Davis-Bacon Act (40 U.S.C. § 276a et seq) and its subsequent amendments, as the prevailing rate of per diem wages in HCDE for each craft or type of worker needed to execute a public works contract and also for legal holiday and overtime work involving federal funds. See HCDE Policy CV (Local). The current U.S. Department of Labor wage determination rates for Texas may be accessed on the Internet at <http://www.access.gpo.gov/davisbacon/>. Click on Browse all Determinations by State and then click on Texas. Then locate Harris County. Click under the Building column for Harris County to access the rates for all trades.

**For projects not involving federal funds**, HCDE has adopted the prevailing wage rate as determined by Harris County, Texas as the prevailing rate of per diem wages in HCDE for each craft or type of worker needed to execute a public works contract and also for legal holiday and overtime work not involving federal funds. See HCDE Policy CV (Local). The current wage determination rates for Harris County, Texas may be accessed on the Internet at <http://www.eng.hctx.net/wage>. Click on Prevailing Wage Rate Building Construction to access the rates for all trades.

Prevailing Wage Rates: Base per Diem rate shall be taken as the hours worked per day times the Base Hourly Rate.  
Overtime Rates: Over 40 hours per week and holidays at base hourly rate times 1.5.

Section 2258.023 of the Texas Government Code, entitled "PREVAILING WAGE RATES TO BE PAID BY CONTRACTOR AND SUBCONTRACTOR; PENALTY," states, in pertinent part:

- (a) The contractor who is awarded a contract by a public body or a subcontractor of the contractor shall pay not less than the rates determined under Section 2258.022 to a worker employed by it in the execution of the contract.
- (b) A contractor or subcontractor who violates this section shall pay to the state or a political subdivision of the state on whose behalf the contract is made, \$60 for each worker employed for each calendar day or part of the day that the worker is paid less than the wage rates stipulated in the contract. A public body awarding a contract shall specify this penalty in the contract.
- (d) The public body shall use any money collected under this section to offset the costs incurred in the administration of this chapter.

**Contractor certifies that it is in compliance with all applicable standards, orders and/or regulations issued pursuant to the programs subject to the Davis-Bacon Act (40 U.S.C. 276a et seq.), the Regulations of the Department of Labor, 29 CFR part 5, and Texas Government Code Chapter 2258.**

## CONSTRUCTION SCHEDULE

1. Begin Construction: **[ENTER]**
2. Substantial Completion: **[ENTER]**
3. Final Completion: **[ENTER]**

The Construction Schedule above includes an allowance of Anticipated Weather Days, which are regular working days, in accordance with the following schedule:

January	3	July	4
February	4	August	4
March	4	September	4
April	2	October	3
May	5	November	5
June	6	December	4

Weather Days shall pertain to such items as rain, flooding, snow, unusually high winds, excessively wet grounds, or the like which prevent progress on items which affect the critical path of the Work on regular working days only. If such situations occur on more than the number of Anticipated Weather Days included in the Bid Completion Time and if those additional days prevent the Contractor from performing the critical path of the scheduled Work, a change to the Contract Time may be done in accordance with Article 33 in the Agreement; if the inclement weather is rain-related, the rain at the Project Site must have been in excess of .50 (1/2) inch in 24

## **EXHIBIT A**

### **Scope of Work**

1. **Selected Facilities**

HCDE will conduct Safety and Security Audits (“Audits”) of the facilities listed below, as selected by the District:

<b>Timeline</b>	<b>Number of Sites</b>	<b>Site Names/Types</b>
Year 1		
Year 2		
Year 3		

2. **Scope of Audits**

The scope of each Audit includes:

1. Approach of the school/site ***unannounced*** to determine how freely HCDE team members can move about the building and interact with students and employees without being challenged by District officials (If necessary, the District will provide HCDE team members with written authorization to assess the schools with a campus escort);
2. Observation of the number, location, and condition of surveillance cameras, and potential security factors relating to building entrances, stairwells, areas out of sight of usual adult vision, and other “high risk” locations;
3. Conference with the counselor, principal, and other staff to determine training and skilled, instituted procedures regarding safety and security;
4. Determination of the structure of the District’s crisis response/recovery team;
5. Review of District-wide procedures, communication processes, and the climate of assessed sites;
6. Identification of any District research initiatives or networking efforts with other schools/and or districts.

3. **Reports**

After each site visit has been completed, HCDE will conduct a debriefing with key facility staff. At a later date, HCDE will provide a facility-specific draft report containing Audit findings, recommendations, and commendations and an Executive Summary for the Superintendent or designee. All such drafts reports are considered to be drafts and works in progress, to the extent permitted by law. The Audit Final Report will be provided to the Superintendent or designee and is designed to provide the District with a useful and strategic planning tool.

Within six to eight (6-8) weeks of the Audit Final Report, the District is encouraged to respond in writing to HCDE regarding how it proposes to address recommendations contained in the Audit Final Report, which may include a decision to implement a modified or altered recommendation(s) and/or not implement recommendation(s). HCDE’s team can assist District officials and principals in the development of a written response, at the request of the District.

# Memorandum

**Date:** August 29, 2018  
**To:** HCDE Vendor  
**From:** Jesus J. Amezcua, Ph.D., CPA, RTSBA  
Assistant Superintendent for Business Services  
**Re:** New Vendor Packet

---

All new vendors doing business with Harris County Department of Education (HCDE) must complete and submit a New Vendor Packet that consists of the following documents:

1. Vendor Information Form
2. Conflict of Interest Form
3. Certificate of Interested Parties Form 1295
4. W-9 Form
5. Proposer/Vendor Certification Forms
6. Felony Conviction Notice Form
7. Antitrust Certification Statement
8. Senate Bill 9 Contractor/Subcontractor Certification Forms (if applicable)
9. Confidentiality Declaration Form

Please note that when completing the Conflict of Interest Questionnaire and no conflict exists, HCDE still needs the vendors to complete Box 1, type "N/A" on Box 3, sign and date it.

The completed vendor packet must be faxed or e-mailed to Charisma Tolbert at (713) 696-0720 or [ctolbert@hcde-texas.org](mailto:ctolbert@hcde-texas.org). If an HCDE representative requested that you submit this vendor packet, please include the name of the individual on your fax or email. Upon receipt, you and/or your company will be set up as a vendor with HCDE.

## HCDE eBid System Registration:

Existing and potential vendors/suppliers interested in competing in the formal bidding process must register in the HCDE eBid System at <https://hcdeebid.ionwave.net/Login.aspx> to be included in the Bidders List.

The HCDE eBid System is a web-based, e-Procurement system that includes an electronic process for vendor registration and bidding. This system is being used by HCDE and the Choice Partners Cooperative.

Please note that all vendors/suppliers must register online in this new system whether or not they are currently awarded vendors or have formerly registered in the bidder's list with HCDE to automatically receive notifications of bid opportunities based on the categories of commodities they have selected.



**Harris County Department of Education  
Vendor Information Form**

Trade Name (dba): \_\_\_\_\_

Legal Name (if different): \_\_\_\_\_

Website: \_\_\_\_\_

Primary Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Country: \_\_\_\_\_

Phone: (\_\_\_\_)\_\_\_\_-\_\_\_\_ Fax: (\_\_\_\_)\_\_\_\_-\_\_\_\_

Remittance Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Country: \_\_\_\_\_

Phone: (\_\_\_\_)\_\_\_\_-\_\_\_\_ Fax: (\_\_\_\_)\_\_\_\_-\_\_\_\_

Contact Name: \_\_\_\_\_

Title: \_\_\_\_\_

Email: \_\_\_\_\_

Phone: (\_\_\_\_)\_\_\_\_-\_\_\_\_ Fax: (\_\_\_\_)\_\_\_\_-\_\_\_\_

Goods or services provided by your company:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Business Type (Check One):

- ☐ Retailer  
☐ Wholesaler  
☐ Manufacturer

- ☐ Distributer  
☐ Contractor  
☐ Consultant

- ☐ Service Provider  
☐ Manufacturer Agent  
☐ Broker

Years in Business: \_\_\_\_\_ Number of Employees: \_\_\_\_\_

HUB Certification ☐ Yes ☐ No (If yes, include copy of the HUB certificate)

Company Name that will be shown on your email for payment:

\_\_\_\_\_

Email address where purchase orders are to be sent:

\_\_\_\_\_

## **HCDE CONFLICT OF INTEREST DISCLOSURE STATEMENT**

Harris County Department of Education (HCDE) is required to comply with Texas Local Government Code Chapter 176, Disclosure of Certain Relationships with Local Government Officers. House Bill 23 significantly changed Chapter 176 as well as the required disclosures and the corresponding forms. As of September 1, 2015, any vendor who does business with HCDE or who seeks to do business with HCDE must fill out the new Conflict of Interest Questionnaire (CIQ) whether or not a conflict of interest exists. A conflict of interest exists in the following situations:

- 1) If the vendor has an employment or other business relationship with a local government officer of HCDE or a family member of the officer, as described by section 176.003(a)(2)(A) of the Texas Local Government Code; or
- 2) If the vendor has given a local government officer of HCDE, or a family member of the officer, one or more gifts with the aggregate value of \$100, excluding any gift accepted by the officer or a family member of the officer if the gift is: (a) a political contribution as defined by Title 15 of the Election Code; or (b) a gift of food accepted as a guest; or
- 3) If the vendor has a family relationship with a local government officer of HCDE.

**“Vendor”** means a person who enters or seeks to enter into a contract with a local governmental entity. The term includes an agent of a vendor. The term includes an officer or employee of a state agency when that individual is acting in a private capacity to enter into a contract. The term does not include a state agency except for Texas Correctional Industries. *Texas Local Government Code 176.001(7).*

**“Business relationship”** means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on: (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity; (B) a transaction conducted at a price and subject to terms available to the public; or (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency. *Texas Local Government Code 176.001(3).*

**“Family relationship”** means a relationship between a person and another person within the third degree by consanguinity or the second degree by affinity, as those terms are defined by Subchapter B, Chapter 573, Government Code. *Texas Local Government Code 176.001(2-a).*

**“Local government officer”** means: (A) a member of the governing body of a local governmental entity; (B) a director, superintendent, administrator, president, or other person designated as the executive officer of a local governmental entity; or (C) an agent of a local governmental entity who exercises discretion in the planning, recommending, selecting, or contracting of a vendor. *Texas Local Government Code 176.001(4).*

- ***HCDE Board of Trustees and Superintendent include:***

Mr. Josh Flynn	Mr. Don Sumners
Mr. Richard Cantu	Mr. Eric Dick
Mr. Danyahel Norris	Dr. George Moore
Mr. Michael Wolfe	Mr. James Colbert, Jr., Superintendent

- ***Current local government officers include, but are not limited to:***

Dr. Jesus J. Amezcua	Danielle Clark
Dr. Anthony Mays	Natasha Truitt
Dr. Kimberly McLeod	Danielle Bartz
Dr. Jonathan Parker	Richard Vela
Dr. Anthony Moten	

**If no conflict of interest exists, you must fill out Box 1 and type N/A on Box 3 of the CIQ form, sign and date it.** In the event of changed circumstances, an updated CIQ must be filed within seven (7) business days after the vendor becomes aware that a conflict of interest exists.

**CONFLICT OF INTEREST QUESTIONNAIRE**  
For vendor doing business with local governmental entity

**FORM CIQ**

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.

**OFFICE USE ONLY**

Date Received

**1** Name of vendor who has a business relationship with local governmental entity.

**2** ☐ 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.)

**3** Name of local government officer about whom the information is being disclosed.

\_\_\_\_\_  
Name of Officer

**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.

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?

☐ Yes ☐ No

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?

☐ Yes ☐ No

**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.

**6** ☐ 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).

**7**

\_\_\_\_\_  
Signature of vendor doing business with the governmental entity

\_\_\_\_\_  
Date

**CONFLICT OF INTEREST QUESTIONNAIRE**  
**For vendor doing business with local governmental entity**

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

**Local Government Code § 176.001(1-a):** "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

**Local Government Code § 176.003(a)(2)(A) and (B):**

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

\*\*\*  
(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

- (i) a contract between the local governmental entity and vendor has been executed;
- or
- (ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

**Local Government Code § 176.006(a) and (a-1)**

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

- (1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);
- (2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or
- (3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

- (1) the date that the vendor:
  - (A) begins discussions or negotiations to enter into a contract with the local governmental entity; or
  - (B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or
- (2) the date the vendor becomes aware:
  - (A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);
  - (B) that the vendor has given one or more gifts described by Subsection (a); or
  - (C) of a family relationship with a local government officer.

## **HCDE CERTIFICATE OF INTERESTED PARTIES – FORM 1295**

HCDE is required to comply with House Bill 1295, which amended the Texas Government Code by adding Section 2252.908, Disclosure of Interested Parties. Section 2252.908 prohibits HCDE from entering into a contract resulting from this RFP with a business entity unless the business entity submits a Disclosure of Interested Parties (Form 1295) to HCDE at the time business entity submits the signed contract. Effective January 1, 2018, the Form 1295 requirement does not apply to: (1) a contract with a publicly traded business entity or wholly owned subsidiary of the same; (2) an electric utility; or (3) a gas utility. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Texas Ethics Commission. The following **definitions** apply:

- (1) ***“Business Entity”*** means an entity recognized by law through which business is conducted, including a sole proprietorship, partnership, or corporation. TEX. GOV’T CODE § 2252.908(1).
- (2) ***“Interested Party”*** means a person:
  - a) who has a controlling interest in a business entity with whom HCDE contracts; or
  - b) who actively participates in facilitating the contract or negotiating the terms of the contract, including a broker, intermediary, adviser, or attorney for the business entity. TEX. GOV’T CODE § 2252.908(3).
- (3) ***“Controlling interest”*** means:
  - a) an ownership interest or participating interest in a business entity by virtue of units, percentage, shares, stock, or otherwise that exceeds 10 percent;
  - b) membership on the board of directors or other governing body of a business entity of which the board or other governing body is composed of not more than 10 members; or
  - c) service as an officer of a business entity that has four or fewer officers, or service as one of the four officers most highly compensated by a business entity that has more than four officers. *Subsection (c) does not apply to an officer of a publicly held business entity or its wholly owned subsidiaries.* TEX. ETHICS COMM. RULE 46.3(c).
- (4) ***“Intermediary”*** means a person who actively participates in the facilitation of the contract or negotiating the contract, including a broker, adviser, attorney, or representative of or agent for the business entity who:
  - a) receives compensation from the business entity for the person’s participation;
  - b) communicates directly with the governmental entity or state agency on behalf of the business entity regarding the contract; and
  - c) is not an employee of the business entity. TEX. ETHICS COMM. RULE 46.3(e).

### **As a “business entity,” all vendors must:**

- (1) **complete Form 1295 electronically** with the Texas Ethics Commission using the online filing application, which can be found at [https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm)
  - **All vendors must complete Form 1295, even if no interested parties exist**
  - In Section 2, insert “Harris County Department of Education”
  - In Section 3, insert the HCDE RFP # for this proposal
- (2) **print a copy of the completed form** (make sure that it has a computer-generated certification number in the “Office Use Only” box)
- (3) have an authorized agent of the business entity **sign the form**
- (4) **submit the completed Form 1295 by attaching the form to your proposal in the Response Attachment section of the HCDE eBid System.**

HCDE must acknowledge the receipt of the filed Form 1295 by notifying the Texas Ethics Commission of the receipt of the filed Form 1295 no later than the 30<sup>th</sup> day after receipt by HCDE. After HCDE acknowledges the Form 1295, the Texas Ethics Commission will post the completed Form 1295 to its website with seven business days after receiving notice from

<b>CERTIFICATE OF INTERESTED PARTIES</b>		<b>FORM 1295</b>																																									
Complete Nos. 1 - 4 and 6 if there are interested parties. Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.		<b>OFFICE USE ONLY</b>																																									
<b>1</b> Name of business entity filing form, and the city, state and country of the business entity's place of business.		Must file online at <a href="http://www.ethics.state.tx.us/File">www.ethics.state.tx.us/File</a>																																									
<b>2</b> Name of governmental entity or state agency that is a party to the contract for which the form is being filed.  <div style="color: red;">Harris County Department of Education</div>																																											
<b>3</b> Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.  <div style="color: red;">HCDE RFPNo. &lt;insert RFP No. here&gt;</div>																																											
<b>4</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">Name of Interested Party</th> <th style="width: 30%;">City, State, Country (place of business)</th> <th colspan="2" style="width: 35%;">Nature of Interest (check applicable)</th> </tr> <tr> <th></th> <th></th> <th style="width: 17.5%;">Controlling</th> <th style="width: 17.5%;">Intermediary</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>		Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable)				Controlling	Intermediary																																		
Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable)																																									
		Controlling	Intermediary																																								
<b>5</b> Check only if there is NO Interested Party. <span style="float: right;"><input type="checkbox"/></span>																																											
<b>6 UNSWORN DECLARATION</b>  My name is _____, and my date of birth is _____.  My address: _____ <div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <span>(street)</span> <span>(city)</span> <span>(state)</span> <span>(zip code)</span> <span>(country)</span> </div> I declare under penalty of perjury that the foregoing is true and correct.  Executed in _____ County, State of _____, on the _____ day of _____, 20____. <div style="display: flex; justify-content: flex-end; font-size: 0.8em;"> <span>(month)</span> <span>(year)</span> </div> <div style="text-align: center; margin-top: 20px;">             _____              Signature of authorized agent of contracting business entity              (Declarant)           </div>																																											
<b>ADD ADDITIONAL PAGES AS NECESSARY</b>																																											

# Request for Taxpayer Identification Number and Certification

**Give Form to the  
requester. Do not  
send to the IRS.**

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: Individual/sole proprietor      C Corporation      S Corporation      Partnership      Trust/estate  Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ <input type="checkbox"/> Other (see instructions) ▶	Exemptions (see instructions):  Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
List account number(s) here (optional)		

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number								
			-					
Employer identification number								
			-					

## Part II Certification

Under penalties of perjury, I certify that:

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
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (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
3. I am a U.S. citizen or other U.S. person (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** 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 the certification, but you must provide your correct TIN. See the instructions on page 3.

**Sign  
Here**

Signature of  
U.S. person ▶

Date ▶

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** The IRS has created a page on IRS.gov for information about Form W-9, at [www.irs.gov/w9](http://www.irs.gov/w9). Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

## Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the

withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

**Note.** If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.



In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity,
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust, and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

### Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* on page 1.

**What is FATCA reporting?** The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

## Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

**Sole proprietor.** Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

**Partnership, C Corporation, or S Corporation.** Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

**Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulation section 301.7701-2(c)(2)(iii). Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

**Note.** Check the appropriate box for the U.S. federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

**Limited Liability Company (LLC).** If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the U.S. federal tax classification in the space provided. If you are an LLC that is treated as a partnership for U.S. federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation, as appropriate. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for U.S. federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

**Other entities.** Enter your business name as shown on required U.S. federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

## Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the *Exemptions* box, any code(s) that may apply to you. See *Exempt payee code* and *Exemption from FATCA reporting code* on page 3.



**Exempt payee code.** Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends. Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.

**Note.** If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following codes identify payees that are exempt from backup withholding:

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a) 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt payees 1 through 5 <sup>2</sup>
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

**Exemption from FATCA reporting code.** The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a) J—

A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

## Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at [www.ssa.gov](http://www.ssa.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting [IRS.gov](http://IRS.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt payee code* earlier.

**Signature requirements.** Complete the certification as indicated in items 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

**What Name and Number To Give the Requester**

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee <sup>3</sup>
b. So-called trust account that is not a legal or valid trust under state law	The actual owner <sup>1</sup>
5. Sole proprietorship or disregarded entity owned by an individual	The owner <sup>3</sup>
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

\*Note. Grantor also must provide a Form W-9 to trustee of trust.

**Note.** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

**Secure Your Tax Records from Identity Theft**

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN.
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.** Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: [spam@uce.gov](mailto:spam@uce.gov) or contact them at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 1-877-IDTHEFT (1-877-438-4338).

Visit [IRS.gov](http://IRS.gov) to learn more about identity theft and how to reduce your risk.

**Privacy Act Notice**

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

**HARRIS COUNTY DEPARTMENT OF EDUCATION  
PROPOSER/VENDOR CERTIFICATION FORMS**

---

---

**CERTIFICATION REGARDING TERRORIST ORGANIZATIONS &  
BOYCOTTING OF ISRAEL**

---

Vendor hereby certifies that it is not a company identified on the Texas Comptroller's list of companies known to have contracts with, or provide supplies or services to, a foreign organization designated as a Foreign Terrorist Organization by the U.S. Secretary of State. Vendor further certifies and verifies that neither Vendor, nor any affiliate, subsidiary, or parent company of Vendor, if any (the "Vendor Companies"), boycotts Israel, and Vendor agrees that Vendor and Vendor Companies will not boycott Israel during the term of this Agreement. For purposes of this Agreement, the term "boycott" shall mean and include terminating business activities or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory.

\_\_\_\_\_ Initials of Authorized Representative of Vendor

---

**CERTIFICATION REGARDING EMPLOYMENT ASSISTANCE PROHIBITED**

---

Vendor certifies and agrees that it shall not assist an employee, contractor, or agent of HCDE or of any other school district in obtaining a new job if the Vendor knows, or has probable cause to believe, that the individual engaged in sexual misconduct regarding a minor or student in violation of the law. Routine transmission of an administrative or personnel file does not violate this prohibition. *See* HCDE Policy CJ (Legal) and (Local).

\_\_\_\_\_ Initials of Authorized Representative of Vendor

---

**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 \$250,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, 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 regulations 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 schedules, deadlines, and/or delivery dates within the time specified in the procurement solicitation, contract, and/or a purchase order; (2) make any payments 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 if 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.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

**(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, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “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. 3141-3148). 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 3146- 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 Copeland “Anti-Kickback” Act (40 U.S.C. 3145), 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 subrecipient 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. 3701-3708).** 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 compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible 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 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 purchases 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. 1251-1387), as amended—**Contracts and subgrants of amounts 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- 1387). 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 (see 2 CFR 180.220) 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 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains 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 it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency or by the State of Texas. Vendor shall immediately provide written notice to HCDE if at any time the vendor learns that this certification was erroneous when submitted or has become erroneous by reason of changed circumstances. HCDE may rely upon a certification of a vendor that the vendor is not debarred, suspended, ineligible, or voluntarily excluded from the covered contract, unless HCDE knows the certification is erroneous.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

**(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid 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 by 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 grant, 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, grant, loan, 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 subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this

transaction was made or entered into. Submission of this certificate is a prerequisite for making or entering into this transaction imposed by Section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

**(J) Procurement of Recovered Materials – When federal funds are expended by HCDE, HCDE and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include: (1) procuring only items designated in 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; (2) procuring solid waste management services in a manner that maximizes energy and resource recovery; and (3) establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.**

Pursuant to Federal Rule (J) above, when federal funds are expended HCDE, as required by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6962(c)(3)(A)(i)), the vendor certifies, by signing this document, that the percentage of recovered materials content for EPA-designated items to be delivered or used in the performance of the contract will be at least the amount required by the applicable contract specifications or other contractual requirements.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

**(K) Required Affirmative Steps for Small, Minority, And Women-Owned Firms for Contracts Paid for with Federal Funds – 2 CFR § 200.321 – When federal funds are expended by HCDE, Vendor is required to take all affirmative steps set forth in 2 CFR 200.321 to solicit and reach out to small, minority and women owned firms for any subcontracting opportunities on the project, including: 1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists; 2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources; 3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises; 4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; and 5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.**

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**RECORD RETENTION REQUIREMENTS FOR CONTRACTS PAID FOR WITH FEDERAL FUNDS –  
2 CFR § 200.333**

---

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 grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**CERTIFICATION OF COMPLIANCE WITH EPA REGULATIONS**

---

**APPLICABLE TO GRANTS, SUBGRANTS, COOPERATIVE AGREEMENTS, AND  
CONTRACTS IN EXCESS OF \$100,000 OF FEDERAL FUNDS**

---

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. 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.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**CERTIFICATION OF COMPLIANCE WITH THE ENERGY POLICY AND CONSERVATION ACT**

---

When federal funds are expended by HCDE for any contract resulting from this procurement process, the vendor certifies that the vendor will be in compliance with mandatory 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, 89 Stat. 871).

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**CERTIFICATION OF COMPLIANCE WITH BUY AMERICA PROVISIONS**

---

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.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**CERTIFICATION OF NON-COLLUSION STATEMENT**

---

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.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

---

**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, laws, acts, regulations, etc. as specifically noted above.**

Vendor's Name/Company Name: \_\_\_\_\_

Address, City, State, and Zip Code: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Printed Name and Title of Authorized Representative: \_\_\_\_\_

Email Address: \_\_\_\_\_



Signature of Authorized Representative: \_\_\_\_\_

Date: \_\_\_\_\_ Federal Tax ID # \_\_\_\_\_

**HARRIS COUNTY DEPARTMENT OF EDUCATION  
FELONY CONVICTION NOTICE FORM**

**FELONY CONVICTION NOTIFICATION**

State of Texas Legislative Senate Bill No. 1 Section 44.034, Notification of Criminal History, Subsection (a), states “a person or business entity that enters into an agreement with a school district must give advance notice to the district if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony”.

Subsection (b) states “a school district may terminate the agreement with a person or business entity if the district determines that the person or business entity failed to give notice as required by Subsection (a), or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract”.

Subsection (c) states “this section does not apply to a publicly held corporation”.

.....

I, the undersigned agent for the firm named below, certify that the information concerning notification of felony convictions has been reviewed by me and the information furnished is true to the best of my knowledge.

Contractor's Name/Company Name: \_\_\_\_\_

Authorized Official's Name (Printed or Typed): \_\_\_\_\_

**You must select one and sign below:**

- ☐ Firm is a publicly held corporation; therefore the above reporting requirement does not apply per Section 44.034, Texas Education Code, Subsection (c).
- ☐ Contractor/Firm **is not** owned nor operated by anyone who has been convicted of a felony.
- ☐ Contractor/Firm **is** operated or owned by the following individual(s) who has/have been convicted of a felony:

Name of Individual(s): \_\_\_\_\_ Detail  
of Conviction(s): \_\_\_\_\_

*(Attach additional pages if necessary.)*

Signature of Company Official: \_\_\_\_\_

Date: \_\_\_\_\_

**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
**ANTITRUST CERTIFICATION STATEMENT**  
**(Tex. Government Code § 2155.005)**

I affirm under penalty of perjury of the laws of the State of Texas that:

1. I am duly authorized to execute this contract on my own behalf or on behalf of the company, corporation, firm, partnership or individual (Company) listed below;
2. In connection with this bid, neither I nor any representatives of the Company have violated any provision of the Texas Antitrust laws codified in Tex. Bus. & Comm. Code Chapter 15;
3. In connection with this bid, neither I nor any representative of the Company have violated any federal antitrust law; and
4. Neither I nor any representatives of the Company have directly or indirectly communicated any of the contents of this bid to a competitor of the Company or any other company, corporation, firm, partnership or individual engaged in the same line of business as the Company.

Contractor's Name/Company Name: \_\_\_\_\_

Address, City, State, and Zip Code: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_ Date Signed: \_\_\_\_\_

## **SB 9 Contractor Certification: Contractor Employees**

(As applicable)

**Background:** Texas Education Code Chapter 22 requires entities that contract with school districts to obtain criminal history records on covered employees. Covered employees with disqualifying criminal histories are prohibited from serving at a school district. Contractors must certify to HCDE that they have complied and must obtain similar certifications from their subcontractors. *See SB 9 Contractor Certification: Subcontractor attachment.* The law requires each contractor to obtain the criminal histories of its covered employees. For more information or to set up an account, a contractor should contact the Texas Department of Public Safety's Crime Records Service at 512.424.2474.

### **Definitions:**

**Covered employees:** Employees of a contractor who have or will have continuing duties related to the service to be performed at a school district and have or will have direct contact with students. HCDE will be the final arbiter of what constitutes *continuing duties* and *direct contact* with students.

**Public Works Exception to Covered Employees:** Covered employees do not include employees of a contracting or subcontracting entity that is providing engineering, architectural, or construction services on a project to design, construct, alter, or repair a public work if: (1) the public work does not involve the construction, alteration, or repair of an instructional facility as defined by Texas Education Code Section 46.001; (2) the employee's duties will be completed more than seven (7) days before a new instructional facility will be used for instruction; or (3) for an existing instructional facility, the work area contains sanitary facilities separated from all areas used by students by a fence at least six (6) feet high, and the Contractor adopts, informs employees of, and enforces a policy prohibiting employees and any subcontractor's employees from interacting with students or entering areas used by students.

**Disqualifying criminal history:** (1) a conviction or other criminal history information designated by HCDE; (2) a felony or misdemeanor offense that would prevent a person from being employed under Texas Education Code § 22.085(a), that is: if at the time of the offense, the victim was under 18 or was enrolled in a public school: (a) a felony offense under Title 5, Texas Penal Code; (b) an offense on conviction for which a defendant is required to register as a sex offender under Chapter 62, Texas Code of Criminal Procedure; or (c) an offense under federal law or the laws of another state that is equivalent to (a) or (b).

### **Types of Criminal History Record Information:**

- For employees hired by Contractor before January 1, 2008—Any law enforcement or criminal justice agency;
- For employees hired by Contractor on or after January 1, 2008—National criminal history information from the Texas Department of Public Safety criminal history clearinghouse.

---

On behalf of \_\_\_\_\_ ("Contractor"), I, the undersigned authorized signatory for Contractor, certify to Harris County Department of Education ("HCDE") that [check one]:

☐ None of Contractor's employees are *covered employees*, as defined above. If this box is checked, I further certify that Contractor has taken precautions or imposed conditions to ensure that its employees will not become *covered employees*. Contractor will maintain these precautions or conditions throughout the time the contracted services are provided.

Or

☐ Some or all of Contractor's employees are *covered employees*. If this box is checked, I further certify that:

- (1) Contractor has obtained all required criminal history record information regarding its covered employees. None of the covered employees has a disqualifying criminal history.
- (2) If Contractor receives information that a covered employee subsequently has a reported criminal history, Contractor will immediately remove the covered employee from contract duties and notify HCDE in writing within 3 business days.

- (3) Upon request, Contractor will provide HCDE with the name and any other requested information of covered employees so that HCDE may obtain criminal history record information on the covered employees.

If HCDE objects to the assignment of a covered employee on the basis of the covered employee's criminal history record information, Contractor agrees to discontinue using that covered employee to provide services at HCDE.

I also certify to HCDE on behalf of Contractor that Contractor has obtained certifications from its subcontractors of compliance with Texas Education Code, Chapter 22. Noncompliance or misrepresentation regarding this certification may be grounds for contract termination.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

## SB 9 Contractor Certification: Subcontractor

(As applicable)

**Background:** Texas Education Code Chapter 22 requires entities that contract with school district contractors to obtain criminal history records regarding covered employees. Covered employees with disqualifying criminal histories are prohibited from serving at a school district. Subcontractors must certify to HCDE and to the contractor that they have complied. The law requires each subcontractor to obtain the criminal histories of its covered employees. For more information or to set up an account, a contractor should contact the Texas Department of Public Safety's Crime Records Service at 512.424.2474.

### Definitions:

**Covered employees:** Employees of a subcontractor who have or will have continuing duties related to the service to be performed at a school district and have or will have direct contact with students. HCDE will be the final arbiter of what constitutes *continuing duties* and *direct contact* with students.

**Public Works Exception to Covered Employees:** Covered employees do not include employees of a contracting or subcontracting entity that is providing engineering, architectural, or construction services on a project to design, construct, alter, or repair a public work if: (1) the public work does not involve the construction, alteration, or repair of an instructional facility as defined by Texas Education Code Section 46.001; (2) the employee's duties will be completed more than seven (7) days before a new instructional facility will be used for instruction; or (3) for an existing instructional facility, the work area contains sanitary facilities separated from all areas used by students by a fence at least six (6) feet high, and the Contractor adopts, informs employees of, and enforces a policy prohibiting employees and any subcontractor's employees from interacting with students or entering areas used by students.

**Disqualifying criminal history:** (1) a conviction or other criminal history information designated by HCDE; (2) a felony or misdemeanor offense that would prevent a person from being employed under Texas Education Code § 22.085(a), that is: if at the time of the offense, the victim was under 18 or was enrolled in a public school: (a) a felony offense under Title 5, Texas Penal Code; (b) an offense on conviction for which a defendant is required to register as a sex offender under Chapter 62, Texas Code of Criminal Procedure; or (c) an offense under federal law or the laws of another state that is equivalent to (a) or (b).

---

Subcontractor has entered into a contract with \_\_\_\_\_ ("Contractor"), to provide services in connection with the contract between Harris County Department of Education ("HCDE") and Contractor. I, the authorized signatory for Subcontractor, certify to HCDE and Contractor that [check one]:

☐ None of Subcontractor's employees are *covered employees*, as defined above. If this box is checked, I further certify that Subcontractor has taken precautions or imposed conditions to ensure that its employees will not become *covered employees*. Subcontractor will maintain these precautions or conditions throughout the time the contracted services are provided.

Or

☐ Some or all of Subcontractor's employees are *covered employees*. If this box is checked, I further certify that:

- (1) Subcontractor has obtained all required criminal history record information regarding its covered employees. None of the covered employees has a disqualifying criminal history.
- (2) If Subcontractor receives information that a covered employee subsequently has a reported criminal history, Subcontractor will immediately remove the covered employee from contract duties and notify HCDE in writing within 3 business days.
- (3) Upon request, Subcontractor will provide HCDE with the name and any other requested information of covered employees so that HCDE may obtain criminal history record information on the covered employees.

If HCDE objects to the assignment of a covered employee on the basis of the covered employee's criminal history record information, Subcontractor agrees to discontinue using that covered employee to provide services at HCDE.

I also certify to HCDE and Contractor on behalf of Subcontractor that Subcontractor has obtained certifications from its subcontractors of compliance with Texas Education Code, Chapter 22. Noncompliance or misrepresentation regarding this certification may be grounds for contract termination.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

## **CONFIDENTIALITY DECLARATION FORM**

### **INFORMATION SUBMITTED TO HCDE IN CONNECTION WITH THIS PROCUREMENT SOLICITATION OR THE AGREEMENT IS GOVERNED BY TEXAS GOVERNMENT CODE, CHAPTER 552**

As a governmental body, HCDE is subject to the Texas Public Information Act found in Chapter 552, Texas Government Code. Proposals and other information submitted to HCDE in connection with this procurement solicitation or the Agreement may be subject to release as public information. If a Vendor believes that part(s) of its proposal or any other information submitted by Vendor to HCDE in connection with this procurement solicitation or the Agreement contain confidential, proprietary, and/or trade secret information or otherwise may be excepted from disclosure under Texas law, the Vendor must clearly and conspicuously mark the applicable information as “CONFIDENTIAL.”

Marking information as “CONFIDENTIAL” does not guarantee that the information will be withheld from disclosure. If HCDE receives a request for public information involving information that Vendor has clearly and conspicuously marked as “CONFIDENTIAL,” HCDE will respond pursuant to Chapter 552, Texas Government Code, which may or may not require that HCDE provide notice of the request to Vendor. Vendor understands and agrees that it is solely responsible for submitting to the Attorney General of Texas each reason why the requested information should be withheld and a letter, memorandum, or brief in support of that reason. HCDE assumes no obligation or responsibility relating to the disclosure or nondisclosure of information submitted by Vendors, and **Vendor hereby waives any claim against and releases from liability HCDE, its respective officers, employees, agents, and attorneys with respect to disclosure of information provided under or in connection with this procurement solicitation or the Agreement or otherwise created, assembled, maintained, or held by Vendor or HCDE and determined by HCDE, the Attorney General of Texas, or a court of law to be subject to disclosure under the Texas Public Information Act. Further, even if Vendor marks information as “CONFIDENTIAL,” Vendor expressly agrees that HCDE may disclose Vendor’s proposal, including, but not limited to, pricing information, to other governmental entities.**

Please check **ONLY ONE** of the following options:

- ☐ **Declaration of Confidentiality** – Vendor **HAS** clearly and conspicuously marked information contained in its proposal and/or other information submitted by Vendor to HCDE in connection with this procurement solicitation or the Agreement as “CONFIDENTIAL.” Vendor declares that the information marked by Vendor as “CONFIDENTIAL” contains confidential, proprietary, and/or trade secret information and is excepted from disclosure under Chapter 552, Texas Government Code.
- ☐ **Waiver of Confidentiality** – Vendor **HAS NOT** marked any information contained in its proposal and/or other information submitted by Vendor to HCDE in connection with this procurement solicitation or the Agreement as “CONFIDENTIAL.” Vendor certifies that it has not submitted any confidential, proprietary, and/or trade secret information to HCDE and that its proposal and all other information—including any pricing information—submitted by Vendor to HCDE in connection with this procurement solicitation or the Agreement is subject to disclosure under Chapter 552, Texas Government Code. Vendor hereby expressly waives any claim of confidentiality with respect to its proposal and/or any other information—including any pricing information—submitted by Vendor to HCDE in connection with this procurement solicitation or the Agreement.

\_\_\_\_\_  
Vendor Name

\_\_\_\_\_  
Printed Name of Authorized Officer/Representative of Vendor

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date





Harris County Department of Education  
Interdepartmental Contract

Date: \_\_\_\_\_

To: \_\_\_\_\_, [Division 2](#)

From: \_\_\_\_\_, [Division 1](#)

Re: Agreement between HCDE [Division 1](#) and [Division 2](#)

The Harris County Department of Education [Division 1](#) will provide the following services to [Division 2](#) beginning \_\_\_\_\_ through \_\_\_\_\_:

- (Type of services to be provided and number of days if applicable)

HCDE [Division 1](#) will charge the [Division 2](#) \$\_\_\_\_\_. (Put in breakdown of charges if applicable, i.e., daily rate, each type of service, etc.) Should the amount of time requested/needed go over the amount stated above, services will be provided and billed to you. You will not be billed for any services not provided.

Agreed to:

\_\_\_\_\_  
Name Date  
[Division 1](#)

\_\_\_\_\_  
Name Date  
[Division 2](#)

**INTERLOCAL AGREEMENT**  
**BETWEEN**  
**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
**AND**  
**INSERT INDEPENDENT SCHOOL DISTRICT**

Pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, this Interlocal Agreement ("Agreement") is entered into by and between Harris County Department of Education ("HCDE") and INSERT Independent School District ("District") for the purpose of providing after-school educational program(s).

**I. PURPOSE**

The District agrees to provide an after-school program(s), which must include activities to support language literacy and numeracy development during out-of-school time hours ("after-school program(s)") to students four to twelve years of age or up to the age of 19 with a documented disability. Students meeting these age requirements are referred to herein as "eligible students."

**II. TERM**

This Agreement shall be for the period beginning August 1, 2017 and ending July 31, 2018 and is subject to the receipt of sufficient funds from HCDE.

**III. AFTER-SCHOOL PROGRAM DESCRIPTION and REQUIREMENTS**

A. The District agrees to provide after-school program(s) to eligible students in accordance with all applicable local, state, and federal laws and regulations, including, without limitation, those promulgated by the Texas Workforce Commission ("TWC") and/or Gulf Coast Local Workforce Board. The District agrees to abide by all of the policies and procedures in the Center for Afterschool, Summer, Expanded Learning (CASE) Manual, which is incorporated by reference into this Agreement. The District agrees to abide by all of the guidelines developed by HCDE in furtherance of this Agreement.

B. The District agrees to provide facilities and personnel necessary to provide quality improvement activities in the after-school program(s) to eligible students. The District will provide the after-school program(s) at the following school(s): INSERT. Activities in the after-school program(s) will adhere to those approved and agreed upon in the District's application form filed with HCDE.

C. The District will serve the number of students and operate the number of weeks, days and hours as outlined in the application filed with HCDE. The District agrees to inform HCDE of any changes in the hours of the after-school program(s), the ages of children served, holidays, the name of the contact person, or any other changes to the after-school program(s) at least three weeks prior to any changes through appropriate amendment forms.

D. The District agrees to affirm enrollment of students and provision of services by completing a CASE registration form for each child enrolled in the after-school program.

E. The District agrees to track and maintain daily attendance records for students enrolled in programs. These records must be submitted to Center for Afterschool, Summer, and Expanded Learning (CASE) on by the 5<sup>th</sup> of each month, utilizing the attendance tracking system provided by Center for Afterschool, Summer, Expanded Learning.

F. The District agrees to expend funds received from HCDE to support language literacy and numeracy development within existing comprehensive after-school program(s). Expenditures must result from activities allowable under applicable TWC rules, including TWC rule § 809.16. The District agrees to submit quarterly certification of total expenditures for such after-school program(s), certifying that (a) expenditures have resulted from activities allowable under applicable TWC rules, including TWC rule § 809.16, and (b) expenditures funded through district funds have been expended for service delivery to eligible students in the afterschool program. The District agrees to provide this certification on the form attached hereto as Exhibit E. The District shall maintain its records and accounts in a manner that shall assure a full accounting of all expenditures paid for with both funds received from HCDE and local site matching funds relating to this Agreement. The District shall not use any federal grant funds as its local site matching funds for the after-school program(s) operated in accordance with this Agreement. The District agrees to submit a quarterly itemized report of all expenditures for the after-school program(s) funded by local site matching funds. The District agrees to provide this itemized expenditure report on the form attached hereto as Exhibit F. The District agrees to submit Exhibits E and F to HCDE by the 15<sup>th</sup> day of the first month of each quarter. The District's records and accounts shall also be retained by the District and made available for audit by HCDE, the Texas Workforce Commission, Gulf Coast Local Workforce Board, and/or representative(s) of those entities for a period of not less than three (3) years after the expiration or termination of this Agreement. If an audit has been announced, the District shall retain its records and accounts until such audit has been completed.

G. The District further agrees that it will comply with all terms and conditions of the U.S. Department of Health and Human Services Child Care and Development Fund grant/contract awarded to HCDE, passed through the Texas Workforce Commission/Gulf Coast Workforce Solutions Board, including all applicable laws, rules, and regulations that govern the award/contract and administration of the grant/contract. Those regulations include, but are not limited to, applicable regulations pertaining to reporting, regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under this Contract, and regulations pertaining to copyrights and rights in data. The District certifies compliance with all provisions, laws, acts, regulations, rules, and ordinances in the attached certifications, which are incorporated herein by reference. The District further agrees to abide by all of the guidelines developed by HCDE in furtherance of this Agreement. The District further agrees to comply with Title 2, Subtitle A, Chapter II, Part 200.331 of Subpart D, which requires that HCDE evaluate the District's, as the sub-recipient, risk of non-compliance with federal statutes, regulations, and the terms of the grant, and the District agrees to submit the all documents requested by HCDE so that HCDE can conduct a risk assessment of the District (the sub-award entity) for purposes of determining the appropriate sub-recipient monitoring described in 200.331 paragraphs (d) and (e).

H. The District acknowledges and agrees that it is solely responsible for all costs, wages, expenses, and fees associated with or arising from the operation of its after-school program(s).

**Commented [SL2]:** I am not sure that this language is necessary for this Agreement, as the risk assessment is only applicable in the event the District is a "sub-recipient." Is the District a "sub-recipient" in this case?  
"Sub-recipient" is defined as "a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency."

I. The District agrees to cooperate with evaluation of the after-school program(s) by providing such records as STAAR scores, grades, regular school day attendance, and conduct, for eligible students in the after-school program(s) to HCDE, as well as survey results, within a reasonable time after a request by HCDE.

J. The District may use the funds from HCDE to enhance existing after-school program(s), but the payments from HCDE should not replace funding for an existing after-school program(s).

K. The District agrees to obtain and assess criminal history record information for each employee, contractor, or volunteer used in the after-school program(s) and to use only those persons fit to work with students. The District shall complete the "Criminal History Certification" regarding the criminal history of covered employees, attached as Exhibit B and the "Felony Conviction Notice," attached as Exhibit C and incorporated by reference herein. Noncompliance or misrepresentation regarding these certifications may be grounds for termination of this Agreement.

L. The District will comply with Title VI of the Civil Rights Act of 1964 (Public Law 88-352), Section 504 of the Rehabilitation Act of 1973 (Public Law 93-112), The Americans with Disabilities Act of 1990 (Public Law 101-336), The Health and Safety Code Section 85.113 (relating to workplace and confidentiality guidelines regarding AIDS and HIV), and all amendments to each, and all requirements imposed by the regulations issued pursuant to these acts. In addition, the District agrees to comply with Title 40, Chapter 73, of the Texas Administrative Code. These provide in part that no persons in the United States shall, on the grounds of race, color, national origin, sex, age, disability, political beliefs or religion be excluded from participation in, or denied, any aid, care, service or other benefits provided by federal and/or state funding, or otherwise be subjected to discrimination.

M. The District will not discriminate against children with disabilities. The District will also not discriminate against children with AIDS. The District will comply with the Health and Safety Code Section 85.113 by adopting and implementing HIV/AIDS workplace guidelines for employees and clients; by providing educational programs for employees and clients; and, by developing and implementing guidelines regarding confidentiality of HIV/AIDS related medical information for employees and clients served.

N. The District will comply with the requirements of The Immigration Reform and Control Act of 1986 regarding employment verification forms for any individuals hired on or after November 6, 1987, who will perform any labor or services under this agreement.

#### **IV. COMPENSATION AND FUNDING**

Subject to the following paragraph, HCDE will reimburse sites up to the individual grant award amount based on expenditures for activities to support language literacy and numeracy development within existing comprehensive after-school program(s). Certification and itemization of expenditures must be received by HCDE in accordance with Section III (E) and (F) in order to receive award funds for the entire project period.

**INSERT SITES AND BREAKDOWN OF FUNDING FOR  
QUALITY IMPROVEMENT AND SERVICE DELIVERY**

HCDE will pay the District upon receipt of sufficient funds. The District waives any statutory right to interest the District may have under Chapter 2251 of the Texas Government Code.

In addition to the certification and itemization of expenditure reports required by Section III(F), the District shall also submit monthly invoices by the 15th of each month to HCDE. If HCDE determines, in its sole discretion, that any site of the District is out of compliance, HCDE may withhold funding for the month(s) that the site is out of compliance. For purposes of withholding funding, "out of compliance" means that the site is (1) not serving the required number of eligible students; (2) not operating the required number of weeks, days, or hours; (3) not providing sufficient language literacy and numeracy development activities in the after-school program; or (4) not complying with any provision of this Agreement or applicable law, rule, regulation, policy, or procedure.

Notwithstanding anything to the contrary in this Agreement, HCDE's obligation to pay as stated above is expressly contingent upon HCDE receiving local, state, and/or federal funds, if any, ("funds") designated for child care services that are sufficient to satisfy all obligations to other Districts with which HCDE contracts to provide after-school programs. In the event HCDE does not receive those funds or sufficient funds, HCDE may terminate this Agreement and will not be responsible for paying the District the amount specified above or for any of the costs of the after-school program(s) provided by the District.

#### **V. RELATIONSHIP**

It is understood and agreed that the District is an independent contractor. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between HCDE and any employee or agent of the District. The Agreement does not create a joint venture or business partnership under Texas law.

The District is solely responsible for the supervision, daily direction and control, payment of salary (including withholding of income taxes and social security), insurance, worker's compensation, disability benefits and like requirements and obligations of District employees, agents, volunteers, and representatives. The District agrees that HCDE has no responsibility for any conduct of any District employee, agent, volunteer, or representative.

#### **VI. STUDENT RECORDS**

To the extent that HCDE will come into possession of the District's student records and information, and to the extent that HCDE will be involved in the survey, analysis, or evaluation of students, incidental to this Agreement, HCDE agrees to comply with all applicable requirements of the Family Educational Rights and Privacy Act. In the event that the District or HCDE is in possession or custody of recorded information of the other party that is the subject of the Texas Public Information Act, the recorded information will be promptly provided to the other party upon request in the event the District or HCDE is obligated to disclose such information pursuant to the Public Information Act.

#### **VII. TERMINATION**

This Agreement may be terminated by either party without cause with thirty (30) days advance written notice. HCDE may by written notice at any time, terminate this Agreement if the

District fails to comply with any provision of this Agreement. HCDE may also terminate this Agreement as provided in Section IV.

#### **VIII. LOCAL FUNDS**

Any local funds expended will be from current revenues available to the paying party.

#### **IX. AUTHORIZATION**

Each party acknowledges that this Agreement has been authorized by the governing body of each party to the Agreement.

#### **X. NOTICE**

Any notice provided under the terms of this Agreement by either party to the other shall be in writing and may be affected by certified mail, return receipt requested. Notice to shall be sufficient if made or addressed as follows:

Harris County Department of Education  
Attention: James Colbert, Jr., County School Superintendent  
6300 Irvington Blvd.  
Houston, Texas 77022

#### **INSERT DISTRICT'S INFORMATION**

Each party may change the address at which notice may be sent to that party by giving notice of such change to the other party in accordance with the provisions of this Article.

#### **XI. GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

#### **XII. VENUE**

The mandatory and exclusive venue for the adjudication or resolution of any dispute arising out of this Agreement shall be in Harris County, Texas.

#### **XIII. ENTIRE AGREEMENT**

This Agreement, the RFP solicitation issued by HCDE, and the District's proposal/application submitted in response to HCDE's RFP solicitation, and the attached and incorporated addendum or exhibits, if any, contain the entire agreement of the parties relative to the purpose(s) of the Agreement and supersede any other representations, agreements, arrangements, negotiations, or understanding, oral or written, between the parties to this Agreement. In the event of a conflict between this Agreement and the RFP solicitation issued by HCDE or the District's proposal/application submitted in response to HCDE's RFP solicitation, this Agreement shall control. In the event of a conflict between the RFP solicitation issued by HCDE and the District's proposal/application submitted in response to HCDE's RFP solicitation, HCDE's RFP solicitation shall control.

#### **XIV. AMENDMENT**

This Agreement may be amended only by the mutual agreement of the parties, in writing, to be attached to and incorporated in this Agreement.

#### **XV. ASSIGNMENT**

Neither this Agreement nor any duties or obligations under it shall be assignable by the District without the prior written acknowledgment and authorization of HCDE.

#### **XVI. DEBARMENT AND SUSPENSION**

Pursuant to 7 C.F.R. 3017, during any period in which a person is suspended, debarred, proposed for debarment, ineligible, or voluntarily excluded from eligibility for covered transactions by any Federal department or agency, that person shall be excluded from any and all work hereunder that is considered a covered transaction including, but not limited to, participation in any HCDE Program or purchase of any goods or services from HCDE. Generally, work that is expected to equal or exceed the Federal procurement small purchase threshold as defined in 7 C.F.R. 3017.110 (currently \$100,000) is considered a covered transaction. With respect to work hereunder that is considered a covered transaction, the District agrees to comply with any and all requirements of 7 C.F.R. 3017 including, but not limited to, obtaining and/or providing the certification attached hereto as Exhibit A and providing immediate written notice upon discovery of any errors in a certification previously obtained and/or provided, as necessary for such compliance. The District acknowledges that, with respect to debarment and suspension, Federal law may impose additional, more specific, and/or more restrictive requirements for certain work hereunder that is considered a covered transaction; the District agrees to comply with any and all such requirements.

#### **XVII. CONFLICT OF INTEREST**

HCDE is required to comply with Texas Local Government Code Chapter 176, Disclosure of Certain Relationships with Local Government Officers. The District must complete a Conflict of Interest Questionnaire (CIQ), attached hereto as Exhibit D, whether or not a conflict of interest exists. A conflict of interest exists in the following situations:

- 1) If the vendor has an employment or other business relationship with a local government officer of HCDE or a family member of the officer, as described by section 176.003(a)(2)(A) of the Texas Local Government Code; or
- 2) If the vendor has given a local government officer of HCDE, or a family member of the officer, one or more gifts with the aggregate value of \$100, excluding any gift accepted by the officer or a family member of the officer if the gift is: (a) a political contribution as defined by Title 15 of the Election Code; or (b) a gift of food accepted as a guest; or
- 3) If the vendor has a family relationship with a local government officer of HCDE.

Additionally, 2 CFR Section 200.112 concerning conflict of interest applies, and the parties agree to comply with applicable conflict of interest rules.

#### **XVIII. SEVERABILITY**

In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality,

## **XIX. BENEFIT FOR SIGNATORY PARTIES ONLY**

Neither this Agreement, 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.

Executed this \_\_\_\_\_ day of \_\_\_\_\_ of the year 2016.

Harris County Department of Education

**INSERT** Independent School District

James Colbert, Jr. Date  
County School Superintendent

INSERT \_\_\_\_\_ Date \_\_\_\_\_  
 Superintendent



## **Exhibit A**

### **Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion— Lower Tier Covered Transactions**

#### **I. Instructions for Certification**

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549 and 7 C.F.R. 1017.105. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

#### **II. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion— Lower Tier Covered Transactions**

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
  2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.
- [60 FR 33042, 33043, June 26, 1995]

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## **EXHIBIT B**

### **Criminal History Certification**

**Definitions:**

*Covered employees:* Employees who have or will have continuing duties related to the service to be performed at HCDE and have or will have direct contact with students. HCDE will be the final arbiter of what constitutes direct contact with students.

*Disqualifying criminal history:* Any conviction or other criminal history information designated by HCDE, or one of the following offenses, if at the time of the offense, the victim was under 18 or enrolled in a public school: (a) a felony offense under Title 5, Texas Penal Code; (b) an offense for which a defendant is required to register as a sex offender under Chapter 62, Texas Code of Criminal Procedure; or (c) an equivalent offense under federal law or the laws of another state.

---

On behalf of \_\_\_\_\_ (“the District”), I certify that some or all of the District’s employees are *covered employees*. I further certify that:

1. The District has obtained all required criminal history record information regarding its covered employees. None of the covered employees has a disqualifying criminal history.
2. If the District receives information that a covered employee subsequently has a disqualifying criminal history, the District will immediately remove the covered employee from contract duties and notify HCDE in writing within 3 business days.
3. Upon request, the District will provide HCDE with the name and any other requested information of covered employees so that HCDE may obtain criminal history record information on the covered employees.
4. If HCDE objects to the assignment of a covered employee on the basis of the covered employee’s criminal history record information, the District agrees to discontinue using the covered employee to provide services pursuant to its agreement with HCDE.

Noncompliance or misrepresentation regarding this certification may be grounds for contract termination.

---

Signature

---

Date

**Exhibit C**

**FELONY CONVICTION NOTICE**

I, the undersigned Contractor or agent for the firm named above, certify that the information concerning notification of felony convictions has been reviewed by me and the following information furnished is true to the best of my knowledge. **The Contractor must complete the following information in accordance with state law.**

*Please sign only one:*

A. My firm is a publicly-held corporation, therefore, this reporting requirement is not applicable.

Signature of Contractor \_\_\_\_\_ Date \_\_\_\_\_

**OR**

B. My firm is not owned nor operated by anyone who has been convicted of a felony.

Signature of Contractor: \_\_\_\_\_ Date: \_\_\_\_\_

**OR**

C. My firm is owned or operated by the following individual(s) who has/have been convicted of a felony.

Name of Felon(s): \_\_\_\_\_ Date: \_\_\_\_\_  
(attach additional sheet if necessary)

Details of Conviction(s):

\_\_\_\_\_  
(attach additional sheet if necessary)

Signature of Contractor: \_\_\_\_\_ Date: \_\_\_\_\_

**Exhibit D**

**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
**CONFLICT OF INTEREST DISCLOSURE STATEMENT**

Harris County Department of Education (HCDE) is required to comply with Texas Local Government Code Chapter 176, Disclosure of Certain Relationships with Local Government Officers. House Bill 23 significantly changed Chapter 176 as well as the required disclosures and the corresponding forms. As of September 1, 2015, any vendor who does business with HCDE or who seeks to do business with HCDE must fill out the new Conflict of Interest Questionnaire (CIQ) whether or not a conflict of interest exists. A conflict of interest exists in the following situations:

- 3) If the vendor has an employment or other business relationship with a local government officer of HCDE or a family member of the officer, as described by section 176.003(a)(2)(A) of the Texas Local Government Code; or
- 4) If the vendor has given a local government officer of HCDE, or a family member of the officer, one or more gifts with the aggregate value of \$100, excluding any gift accepted by the officer or a family member of the officer if the gift is: (a) a political contribution as defined by Title 15 of the Election Code; or (b) a gift of food accepted as a guest; or
- 5) If the vendor has a family relationship with a local government officer of HCDE.

**“Vendor”** means a person who enters or seeks to enter into a contract with a local governmental entity. The term includes an agent of a vendor. The term includes an officer or employee of a state agency when that individual is acting in a private capacity to enter into a contract. The term does not include a state agency except for Texas Correctional Industries. *Texas Local Government Code 176.001(7).*

**“Business relationship”** means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on: (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity; (B) a transaction conducted at a price and subject to terms available to the public; or (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency. *Texas Local Government Code 176.001(3).*

**“Family relationship”** means a relationship between a person and another person within the third degree by consanguinity or the second degree by affinity, as those terms are defined by Subchapter B, Chapter 573, Government Code. *Texas Local Government Code 176.001(2-a).*

**“Local government officer”** means: (A) a member of the governing body of a local governmental entity; (B) a director, superintendent, administrator, president, or other person designated as the executive officer of a local governmental entity; or (C) an agent of a local governmental entity who exercises discretion in the planning, recommending, selecting, or contracting of a vendor. *Texas Local Government Code 176.001(4).*

- ***HCDE Board of Trustees include:***

Ms. Angie Chesnut, President	Mr. Marvin Morris
Mr. Louis Evans, Vice-President	Mr. Mike Wolfe
Mr. Don Sumners	Dr. Diane Trautman
Ms. Erica S. Lee (Carter)	James Colbert, Jr., County Superintendent

- ***Current local government officers include:***

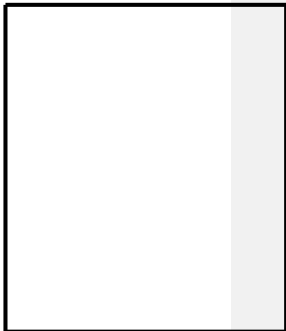
Jesus J. Amezcua

Lisa Caruthers

**INSERT ANY OTHERS**

**If no conflict of interest exists, you must fill out Box 1 and type N/A on Box 3 of the CIQ form, sign and date it.**

In the event of changed circumstances, an updated CIQ must be filed within seven (7) business days after the vendor becomes aware a conflict of interest exists.

☐

(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.)

Name of local government officer about whom the information in this section is being disclosed.

\_\_\_\_\_

This section (item 3 including subparts A, B, C, & 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.

☐☐☐☐☐☐

D. Describe each employment or business and family relationship with the local government officer named in this section.

**Exhibit E**

\_\_\_\_\_

## CONFLICT OF INTEREST QUESTIONNAIRE For vendor doing business with local government

This questionnaire reflects changes made to the law by

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, which requires a vendor who has a business relationship as defined by Section 176.001(1-a), Local Government Code, with a governmental entity and the vendor meets requirements of Section 176.006(a-1), Local Government Code, to file this questionnaire.

By law this questionnaire must be filed with the records administrator of the governmental entity not later than the 7th business day after the date the vendor enters into a business relationship that requires the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates this section. An offense under this section is a misdemeanor.

1 Name of vendor who has a business relationship with the local government

2 Check this box if you are filing an update to a previously filed questionnaire

3

Name of local government officer

A. Is the local government officer named in this section receiving or likely to receive taxable income, from the vendor?

Yes

No

B. Is the vendor receiving or likely to receive taxable income from the local government officer named in this section AND the local government officer is an officer or director of the vendor?

Yes

No

C. Is the filer of this questionnaire employed by a local government officer named in this section AND the local government officer serves as an officer or director of the vendor?

Yes

No

4

**Exhibit F**



## Partnership Project | Required Match Certification

When Needed: Per the 2015-2016 Partnership Project Request for Proposals, all Partnership Project sites are required to provide a 40% cash match to grant funds.

Instructions: Use this form to describe and account for your site's 2015-2016 match funding. Relevant attachments to document cash match contributions should be attached (e.g. general ledgers, time sheets, invoices, etc.). Please return to CASE for Kids by **Friday, May 13, 2016**.

SECTION I   SITE INFORMATION		
Name		District
SECTION II   MATCH BUDGET		
BUDGET CATEGORY	DESCRIPTION OF EXPENDITURES	REQUIRED MATCH
Payroll Costs		
Professional/Contracted Services		
Supplies and Materials		
Other Operating Costs		
Licensing Costs		
TOTAL		
SECTION III   CERTIFICATION		
I hereby certify that the information provided is true and accurate, and meets grant requirements.		
SITE COORDINATOR		DATE
SITE PRINCIPAL		DATE

**CONTRACTOR AGREEMENT  
BETWEEN  
HARRIS COUNTY DEPARTMENT OF EDUCATION AND  
[ENTER CONTRACTOR]**

This Contractor Agreement (“Agreement”) is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 201\_\_, by and between Harris County Department of Education, a county school district located at 6300 Irvington Boulevard, Houston, Texas 77022 (“HCDE”) and [ENTER CONTRACTOR], located at [ENTER CONTRACTOR’S ADDRESS] (“Contractor”). HCDE and Contractor are sometimes referred to as “Parties” or either may singularly be referred to as “Party.”

**WITNESS THAT:**

**WHEREAS**, Contractor was selected by HCDE and awarded Job/RFP No. [ENTER], to perform [ENTER] services;

**WHEREAS**, HCDE desires to contract with Contractor for [ENTER], in the total amount of [ENTER]; and

**WHEREAS**, the Parties desire to set forth the terms and conditions of their Agreement herein.

**NOW, THEREFORE**, in consideration of the mutual covenants, conditions, and obligations of the Parties set forth in the Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound do hereby agree as follows:

1. **Agreement Documents:** The Agreement shall include the following Agreement Documents: (1) the body of this Agreement; (2) the Exhibits attached to this Agreement; (3) the Construction Documents, if any, as defined herein; and (4) Valid Amendments made in accordance with Article 36.
2. **Definitions:** As used in the Agreement, the following terms shall have the meanings set forth below:
  - a) The word “furnish” shall mean “to supply and deliver to the Project Site, ready for installation”.
  - b) The word “install” shall mean “to place in position for service or use”.
  - c) The word “provide” shall mean “to furnish and install, complete and ready for intended use”.
  - d) The term “Architect” shall mean the architect, if any, retained by HCDE in connection with the Project. If an Architect is retained by HCDE, the Architect will have the authority to act on behalf of HCDE only to the extent provided in the Agreement.
  - e) The term “Construction Documents” means any drawings, plans, specifications, or other construction documents prepared by, or approved in writing by, HCDE relating to the Project, and any Valid Amendments thereto. Construction Documents do not include drawings, samples, plans, specifications drafted by or for Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier, or distributor to illustrate some portion of the Work.
  - f) The term “Contract Time” means the period of time, including authorized adjustments, allotted in the Agreement for Substantial Completion of the Work.
  - g) The term “day” means a calendar day, including Saturday, Sunday, and holidays, unless otherwise specifically defined.
  - h) The term “Project” means [ENTER].

- i) The term “Project Site” means any physical location or locations where the Work is to be performed, including HCDE premises, any Work storage, parking, mobilization, or staging areas used to support the Work or perform any part of the Work.
- j) The term “Subcontractor” means a person or entity that has a direct contract with Contractor to perform a portion of the Work. The term “Subcontractor” is referred to throughout the Agreement as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term “Subcontractor” does not include any contractor who has a direct contract with HCDE (a “Separate Contractor”) or any subcontractors of a Separate Contractor.
- k) The term “Sub-subcontractor” means a person or entity that has a direct or indirect contract with a Subcontractor to perform a portion of the Work. The term “Sub-subcontractor” is referred to throughout the Agreement as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.
- l) The term “Substantial Completion” means the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Agreement such that HCDE can occupy or utilize the Work for its intended use.
- m) The term “Valid Amendment” means those supplements, amendments, changes, or modifications to the Agreement Documents that are made in accordance with Article 36.
- n) The term “Work” means the doing of all things described in, and all tasks reasonably related to the construction, work, and services required by the Agreement, whether completed or partially completed, and includes all other labor, materials, resources, equipment and services provided or to be provided by the Contractor to fulfill the Contractor’s obligations under Article 3. The Work may constitute the whole or a part of the Project and includes all supplies, skill, supervision, transportation services, and other facilities and things necessary, proper, or incidental to the carrying out and completion of the terms of the Agreement and all other items of cost or value needed to produce, construct, and fully complete the Scope of Work.

Technical terms not defined in the Agreement shall have the meanings given in AIA “Glossary of Construction Industry Terms” 1991 Edition. Technical terms not defined in the Glossary and used to describe items of Work and which so applied have a well known technical or trade meaning, shall be held to have such recognized meaning.

3. **Scope of Work:** Contractor agrees to perform the following Scope of Work for HCDE:  
**[ENTER DETAILED SCOPE OF WORK]**

3.1 Contractor shall confine operations at the Project Site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, lawful orders of public authorities, and the Agreement, and shall not unreasonably encumber the Project Site.

3.2 Contractor shall be responsible for any cutting, fitting, or patching required to complete the Work or to make parts of the Work fit together properly. All areas requiring cutting, fitting and patching shall be restored to the condition existing prior to the cutting, fitting, and patching, unless otherwise required by the Construction Documents.

Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of HCDE or Separate Contractors by cutting, fitting, patching or otherwise altering such construction, or by excavation. Contractor shall not cut or otherwise alter such construction by HCDE or a Separate Contractor, except with written consent of HCDE and of such Separate Contractor, which consent

shall not be unreasonably withheld. Contractor shall not unreasonably withhold from HCDE or a Separate Contractor the Contractor's consent to cutting or otherwise altering the Work.

3.3 Contractor stipulates and agrees that HCDE has no duty to discover any design errors or omissions in any drawings, plans, specifications, or other Construction Documents and has no duty to notify Contractor of same. By entering into any agreement with an Architect, HCDE does not warrant the adequacy or accuracy of any drawings, plans, specifications, or other Construction Documents.

Contractor shall maintain at the Project Site for HCDE one complete copy of the Agreement Documents, in good order and marked currently to indicate field changes and selections made during construction. These shall be available to HCDE upon completion of the Work as a record of the Work as constructed.

4. **Contractor's Representations and Warranties:** In addition to other representations and warranties contained in the Agreement, Contractor represents and warrants the following to HCDE:

- a) that Contractor shall perform all of the Work in a good and workmanlike manner and in accordance with the requirements of the Agreement and standard industry practices;
- b) that Contractor is financially solvent, able to pay its debts as they mature, and possessed of sufficient working capital to complete the Work and to perform its obligations under the Agreement;
- c) that Contractor is able to and will furnish all necessary and available resources, including the tools, materials, supplies, equipment, and labor required to timely complete the Work and to perform its obligations hereunder;
- d) that Contractor has, and acknowledges that HCDE is relying on Contractor's representation that it has, sufficient experience and competence to perform the Work ;
- e) that Contractor is authorized to do business in the State of Texas and properly licensed by all necessary governmental, public, and quasi-public authorities having jurisdiction over Contractor, the Work, or the Project Site;
- f) that the execution of the Agreement and Contractor's performance thereof are within Contractor's duly-authorized powers;
- g) that the execution of the Agreement by Contractor is a representation that Contractor has visited the Project Site, become familiar with local conditions under which the Work is to be performed, and correlated personal observations with requirements of any Construction Documents. Contractor shall not be entitled to additional compensation for any additional work caused by its failure to carefully study or compare the Construction Documents prior to execution of the Work;
- h) that materials and equipment furnished under the Agreement will be of good quality and new unless the Construction Documents require or permit otherwise. Contractor further warrants that the Work will conform to the requirements of the Agreement and will be free from defects, except for those inherent in the quality of the Work any Construction Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by HCDE or HCDE's consultants, including any Architect HCDE may retain for the Project, Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment;
- i) that the services of any Subcontractors or any Sub-subcontractors will conform to the representations and warranties set out above; and

- j) that Contractor will replace, repair, or re-perform Work at its sole expense until the Work meets the warranties set out above.

**5. Supervision and Construction Procedures:**

5.1 Contractor shall supervise and direct the Work, using Contractor's best skill and attention. Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Agreement, unless otherwise stated in the Agreement. If the Agreement gives specific instructions concerning construction means, methods, techniques, sequences or procedures, Contractor shall evaluate the Project Site safety thereof and, except as stated below, shall be fully and solely responsible for the Project Site safety of such means, methods, techniques, sequences or procedures. If Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, Contractor shall give timely written notice to HCDE and shall not proceed with that portion of the Work without further written instructions from HCDE. If Contractor is then instructed to proceed with the required means, methods, techniques, sequences or procedures without acceptance of changes proposed by Contractor, HCDE shall be solely responsible for any loss or damage arising solely from those HCDE-required means, methods, techniques, sequences or procedures.

5.2 Contractor shall be responsible to HCDE for acts and omissions of Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, Contractor or any of its Subcontractors.

5.3 Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

5.4 Contractor shall plan the sequence of operations for, and coordinate the routing of, any mechanical and electrical work, including both horizontal and vertical control.

5.5 Contractor shall, prior to constructing any concrete form work or excavation, verify the location and elevation of all existing improvements and grades that control or impact finish floor elevation and all flow lines of sanitary and storm sewers, gutters, ditches, roads, and depth of buried utilities shown in any Construction Documents and report to HCDE any discrepancies between documented locations and elevations and actual locations and elevations as found by Contractor, and request directions. To the extent that any portion of the Work requires a trench excavation exceeding five (5) feet in depth, in accordance with Texas Health and Safety Code Section 756.023(a). Contractor shall fully comply, and shall require any applicable Subcontractor to comply, with:

- a) The Occupational Safety and Health Administration standards for trench safety in effect for the construction of the Work.
- b) The special shoring requirements, if any, of HCDE; and
- c) Any geotechnical information obtained by HCDE for use by the Construction manager in the design of the trench safety system.
- d) Trench excavation safety protection shall be a separate pay item, subject to Article 36, and shall be based on linear feet of trench excavated. Special shoring requirements shall also be a separate pay item, subject to Article 36, and shall be based on the square feet of shoring used.

**6. Labor and Materials:**

6.1 Unless otherwise provided in the Agreement, Contractor shall provide and pay for labor,

materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

6.2 Contractor may make substitutions in the Work only with the consent of HCDE, after evaluation by HCDE and any consultant of HCDE and in accordance with a Change Order pursuant to Article 36.

**7. Contractor's Employees and Subcontractors:**

7.1 Contractor shall enforce strict discipline and good order among Contractor's employees and other persons carrying out the Work. Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

7.2 Contractor, Contractor's Subcontractors and Sub-subcontractors shall pay all workers not less than the general prevailing rate of the per diem wages for work of a similar character where the Project is located, as detailed in Exhibit A attached hereto and incorporated herein, and any applicable fringe benefits. The Project **[DOES / DOES NOT]** involve federal funds. Wages listed are minimum rates only. However, no claim for additional compensation above the Contract Sum shall be considered by HCDE because of payment of wage rate in excess of the applicable rate provided herein. Contractor and all Subcontractors shall comply with all state and federal laws including, but not limited to, laws of labor, minimum wage, safety, and equal employment opportunity.

7.3 Contractor shall obtain all criminal history information required by Texas Education Code Chapter 22 regarding its "covered employees", as defined below. If Contractor is required by Chapter 22 to obtain the information from the fingerprint-based Applicant Clearinghouse of Texas, then Contractor will subscribe to that person's criminal history record information. Before beginning any Work on the Project, Contractor will provide written certification to HCDE that Contractor has complied with the statutory requirements as of that date. Upon request by HCDE, Contractor will provide, in writing: updated certifications and the names and any requested information regarding covered employees, so that HCDE may obtain criminal history record information on the covered employees. Contractor shall assume all expenses associated with obtaining criminal history record information.

- a) For the purposes of this Section, "covered employees" means employees, agents or Subcontractors of Contractor or any Sub-subcontractor who has or will have continuing duties related to the services to be performed on HCDE's Project and has or will have direct contact with HCDE's students. HCDE will decide what constitutes direct contact with its students. "Disqualifying criminal history" means any conviction or other criminal history information designated by HCDE, or one of the following offenses, if at the time of the offense, the victim was under 18 years of age or enrolled in a public school; a felony offense under Texas Penal Code Title 5 Offenses Against Persons; an offense for which a defendant is required to register as a sex offender under Texas Code of Criminal Procedure Chapter 62; or an equivalent offense under federal law or the laws of another state.
- b) Contractor is expressly prohibited from allowing anyone who has a disqualifying criminal history onto the Project Site/to perform any of the Work.

7.4 HCDE may demand that Contractor immediately remove any employee, agent, or Subcontractor of Contractor who has been convicted of a felony or misdemeanor involving moral turpitude

from HCDE's property or location where students are likely to be present. HCDE may also demand that Contractor immediately remove any employee, agent, or Subcontractor of Contractor who has engaged in harassing or criminal behavior from HCDE's property or location where students are likely to be present.

7.5 By appropriate agreement, written where legally required for validity, Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to Contractor by terms of the Agreement, and to assume toward Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which Contractor, by the Agreement, assumes toward HCDE. Each subcontract agreement shall preserve and protect the rights of HCDE with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, the benefit of all rights, remedies and redress against Contractor that Contractor, by the Agreement, has against HCDE. Where appropriate, Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Agreement to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Agreement. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

#### **8. Construction by HCDE or by Separate Contractors:**

8.1 HCDE reserves the right to perform construction or operations related to the Project with HCDE's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the Project Site under terms and conditions of the Agreement identical or substantially similar to these, including those portions related to insurance and waiver of subrogation.

8.2 HCDE shall provide for coordination of the activities of HCDE's own forces and of each Separate Contractor with the Work of Contractor, who shall cooperate with them. Contractor shall participate with other Separate Contractors and HCDE in reviewing their construction schedules. Contractor shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by Contractor, Separate Contractors and HCDE until subsequently revised.

8.3 Contractor shall afford HCDE and Separate Contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Agreement.

8.4 If part of Contractor's Work depends for proper execution or results upon construction or operations by HCDE or a Separate Contractor, Contractor shall, prior to proceeding with that portion of the Work, promptly report to HCDE apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of Contractor so to report shall constitute an acknowledgment that HCDE's or Separate Contractor's completed or partially completed construction is fit and proper to receive Contractor's Work, except as to defects not then reasonably discoverable by Contractor upon inspection.

8.5 Contractor shall reimburse HCDE for costs HCDE incurs that are payable to a Separate Contractor because of Contractor's delays, improperly timed activities, or defective construction.

8.6 Contractor shall promptly remedy damage Contractor wrongfully causes to completed or partially completed construction or to property of HCDE or Separate Contractors.

9. **Clean-up:** Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Agreement. At completion of the Work, Contractor shall remove waste materials, rubbish, Contractor's tools, construction equipment, machinery and surplus materials from and about the Project. Upon completion of the Work, Contractor shall provide final clean-up of all surfaces, without limitation, including but not limited to cleaning all surfaces, removing any adhesives and stickers, removing all trash and debris, and the like. If Contractor fails to clean up as provided in the Agreement, HCDE may clean up and HCDE shall be entitled to reimbursement from Contractor.

10. **Access to the Work:** HCDE is not required to make any inspections to check the quality or quantity of the Work. However, Contractor shall provide HCDE and HCDE's consultants, including but not limited to any Architect retained by HCDE, access to the Work in preparation and progress wherever located. Neither the exercise of such access rights by HCDE, nor the failure on the part of HCDE to discover or reject non-conforming Work shall be deemed an acceptance of such non-conforming Work or a waiver of any rights under the Agreement.

11. **Contract Sum:** In exchange for Contractor's complete performance of its obligations under the Agreement, HCDE shall pay to Contractor the total sum of **[ENTER TOTAL DOLLAR AMOUNT]** (the "Contract Sum"). The Contract Sum covers the cost to Contractor of all materials and equipment necessary for the Work and all required taxes, less applicable trade discounts, Contractor's reimbursable bond costs, and Contractor's costs for unloading and handling at the Project Site, labor, installation costs, overhead, profit and other expenses associated with the Work. The Contract Sum is the total amount payable by HCDE to Contractor for performance of the Work under the Agreement.

12. **Progress Payments and Contractor's Statements:**

12.1 HCDE agrees to make progress payments on account of the Contract Sum due Contractor, based on the percentage of Work completed by Contractor as follows:

- a) Not later than forty-five (45) days from the date HCDE receives Contractor's Statement, ninety-five percent (95%) of the undisputed portion of the Contract Sum properly allocable to labor, materials, and equipment incorporated in the Work and ninety-five percent (95%) of the undisputed portion of the Contract Sum properly allocable to materials and equipment suitably stored at the Project Site or at some other location agreed upon in writing, for the period covered by the Application for Payment, less the aggregate of previous payments made by HCDE.
- b) Upon Substantial Completion of the entire Scope of Work, a sum sufficient to increase the total payments to ninety-five percent (95%) of the Contract Sum, less such amounts as HCDE shall determine for all incomplete Work and unsettled claims as provided in the Agreement

Contractor will furnish HCDE an itemized statement of completed portions of the Work and request payment therefore ("Statement"). Such Statement shall be supported by such data substantiating Contractor's right to payment as HCDE may require, such as copies of requisitions from Subcontractors and material suppliers, and shall reflect retainage if provided for in the Agreement.

12.2 Contractor warrants that title to all Work covered by a Statement will pass to HCDE no later



than the time of payment. Contractor further warrants that upon submittal of a Statement all Work submitted on a previous Statement and payments received from HCDE shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.

12.3 HCDE has the right to request written evidence from Contractor that Contractor has properly paid Subcontractors and material and equipment suppliers amounts paid by HCDE to Contractor for subcontracted Work. If Contractor fails to furnish such evidence within seven days, HCDE shall have the right to contact Subcontractors to ascertain whether they have been properly paid. HCDE shall not have an obligation to pay or to see to the payment of money to a Subcontractor, except as may otherwise be required by law.

12.4 A progress payment, or partial or entire use or occupancy of the Project by HCDE shall not constitute acceptance of Work not in accordance with the Agreement.

12.5 Unless Contractor provides HCDE with a payment bond in the full penal sum of the Contract Sum, payments received by Contractor for Work properly performed by Subcontractors and suppliers shall be held by Contractor for those Subcontractors or suppliers who performed Work or furnished materials, or both, under contract with Contractor for which payment was made by HCDE.

13. **Retainage:** HCDE shall withhold from payment(s) to Contractor a retainage of five percent (5%). The retainage shall be paid to Contractor upon Final Completion of the Work. Completion of the Work shall be considered final upon written approval by HCDE's designated representative.

14. **Taxes:** Contractor shall pay sales, consumer, use and similar taxes for the Work provided by Contractor that are legally enacted when the Agreement is executed, whether or not yet effective or merely scheduled to go into effect.

HCDE is exempt from the Texas Sales Tax on any purchase, lease or rental of tangible personal property and will issue Certificates of Exemption from the Texas State Sales Tax on materials furnished by Contractors on School Construction projects. Contractor shall abide by the sales tax exemption.

15. **Permits, Fees, Notices, and Compliance with Laws**

15.1 Unless otherwise provided in Agreement, Contractor shall secure and pay for any building permits as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Agreement and legally required at the time the Agreement is executed.

- a) HCDE shall pay directly to the governing authority the cost of any permanent property utility assessments and similar utility connection charges including domestic water line and irrigation meter costs, fire vaults, and development fees.
- b) Contractor shall pay any temporary utility charges and inspection fees, unless specifically indicated otherwise herein. Contractor shall be responsible for obtaining all necessary permits and inspections.

15.2 Contractor shall comply with, and takes full responsibility for complying with, safety rules, guidelines, standards, and requirements promulgated by the Occupational Safety and Health Administration

(OSHA) applicable to the Project. Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Agreement. Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss. Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities. Contractor is responsible for compliance with any requirements included in the Agreement regarding hazardous materials.

15.4 If Contractor performs any portion of the Work contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

15.5 **Concealed or Unknown Conditions:** If Contractor encounters conditions at the Project Site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in any Construction Documents or (2) unknown physical conditions of an unusual nature, that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in any Construction Documents, Contractor shall promptly provide notice to HCDE before conditions are disturbed and in no event later than 21 days after first observance of the conditions. HCDE will promptly investigate such conditions and, if HCDE determines that they differ materially and cause an increase or decrease in Contractor's cost of, or time required for, performance of any part of the Work, will negotiate an equitable adjustment in the Contract Sum or Contract Time, or both, with Contractor in accordance with Article 36. If HCDE determines that the conditions at the Project Site are not materially different from those indicated in the Construction Documents and that no change in the terms of the Agreement is justified, HCDE will promptly notify Contractor, in writing.

16. **Intellectual Property:** Contractor shall pay all royalties and license fees. Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold HCDE harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by Construction Documents, or where the copyright violations are contained in Construction Documents or other documents prepared by or for HCDE. However, if Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, Contractor shall be responsible for such loss unless such information is promptly furnished to HCDE.

17. **Construction Schedule:** Contractor has prepared and submitted a Contractor's construction schedule for the Work, attached hereto and incorporated herein as Exhibit B ("Construction Schedule"). The schedule shall be revised at appropriate intervals, in accordance with Article 36, as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Construction Documents, and shall provide for expeditious and practicable execution of the Work. Contractor shall perform the Work in general accordance with the Construction Schedule. Contractor shall submit to HCDE updated construction schedules as necessary to reflect appropriate schedule revisions and shall take whatever action is necessary and within its control to assure that the Project completion schedule is met.

18. **Professional Services:** Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the

Construction Documents for a portion of the Work or unless Contractor needs to provide such services in order to carry out Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. Contractor shall not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of Contractor by the Construction Documents, HCDE and HCDE's Architect, if any, will specify all performance and design criteria that such services must satisfy. Contractor shall cause such services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, and other documents prepared by such professional. HCDE shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications and approvals performed or provided by such design professionals, provided HCDE has specified to Contractor all performance and design criteria that such services must satisfy.

19. **Priority of Documents:** The Agreement shall prevail in case of an inconsistency among the Agreement, Job No. [ENTER], or Contractor's response to Job No. [ENTER]. Job No. [ENTER] shall prevail in case of an inconsistency with Contractor's response to Job No. [ENTER]. In the case of an inconsistency between the Agreement and Contractor's response to Job No. [ENTER] not clarified by a Valid Amendment, Contractor is deemed to have included the better quality or greater quantity of Work in the Contract Sum.

In the case of an inconsistency among the body of this Agreement (including Valid Amendments thereto), the accompanying Exhibits (including Valid Amendments thereto), and the Construction Documents (including Valid Amendments thereto), the provisions of the body of this Agreement shall control.

In the case of an inconsistency between the provisions of the Agreement and any Change Order not in accordance with Article 36, Contractor's work ticket, invoice, statement, purchase order, published rate schedule, or any other type of memoranda between HCDE and Contractor pertaining to the subject matter in the Agreement, the provisions of the Agreement (including Valid Amendments thereto) shall control.

Nothing in this Article prohibits Valid Amendments to be made in accordance with Article 36.

20. **Ownership of Construction Documents:** HCDE and/or HCDE's consultants, including but not limited to any Architect retained by HCDE, shall be deemed the authors and owners of their respective Construction Documents and will retain all common law, statutory and other reserved rights, including copyrights. Contractor, any Subcontractors, Sub-subcontractors, and material or equipment suppliers shall not own or claim a copyright in the Construction Documents. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with the Agreement and the Work is not to be construed as publication in derogation of HCDE's and/or HCDE's consultants' reserved rights.

Contractor, any Subcontractors, Sub-subcontractors and material or equipment suppliers are authorized to use and reproduce the Construction Documents provided to them solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Construction Documents. Contractor, any Subcontractors, Sub-subcontractors, and material or equipment suppliers may not use the Construction Documents on other projects or for additions outside the scope of the Work without the specific written consent of HCDE and HCDE's consultants.

21. **HCDE's Right to Stop the Work and Right to Carry Out the Work:**

21.1 HCDE may temporarily stop the Work, at any time, for HCDE's convenience and without

cause, for a period not to exceed two (2) weeks, upon three (3) days written notice to Contractor. The Work may be temporarily stopped for a period longer than two (2) weeks by a Valid Amendment in accordance with Article 36. If the Work is temporarily stopped at HCDE's request, the Contract Time shall be adjusted accordingly in accordance with Article 36.

21.2 If Contractor fails to correct Work that is not in accordance with the requirements of the Agreement or repeatedly fails to carry out Work in accordance with the Agreement, HCDE may issue a written order to Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of HCDE to stop the Work shall not give rise to a duty on the part of HCDE to exercise this right for the benefit of Contractor or any other person or entity, except as may otherwise be provided in the Agreement.

21.3 If Contractor defaults or neglects to carry out the Work in accordance with the Agreement and fails, within a ten-day period after receipt of written notice from HCDE, to commence and continue correction of such default or neglect with diligence and promptness, HCDE may, without prejudice to other remedies HCDE may have (including, but not limited to, termination of the Agreement), correct such deficiencies. In such case, an appropriate Change Order shall be issued, in accordance with Article 36, deducting from payments then or thereafter due Contractor the reasonable cost of correcting such deficiencies, including HCDE's expenses and compensation for additional services, if any, by HCDE's consultants, including but not limited to an Architect retained by HCDE, made necessary by such default, neglect or failure. If payments then or thereafter due Contractor are not sufficient to cover such amounts, Contractor shall pay the difference to HCDE.

22. **HCDE's Right to Occupy:** HCDE and Contractor agree that HCDE may occupy or use, without prejudice to the right of either Party, any completed or largely completed portions of the Project, notwithstanding the time for completing the entire Work or such portions may not have expired. Such beneficial occupancy and use shall not constitute Substantial Completion or HCDE's acceptance of any work not in accordance with the Agreement.

23. **Date of Commencement:** The date of commencement of the Work is **[ENTER]** Contractor shall not knowingly, except by agreement or instruction of HCDE in writing in accordance with Article 36, prematurely commence operations on the Project Site or elsewhere prior to the effective date of insurance required by Article 27 to be furnished by Contractor. The date of commencement of the Work shall not be changed by the effective date of such insurance.

24. **Date of Substantial Completion: [ENTER]. The Date of Final Completion is thirty (30) days after Substantial Completion.**

24.1 Time limits stated in the Agreement are of the essence of the Agreement. By executing the Agreement, the Contractor confirms that the Contract Time is a reasonable period for performing the Work. Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion and Final Completion within the Contract Time.

24.2 HCDE and Contractor agree that Contractor's failure to meet the deadlines established in the Agreement will cause damage to HCDE, but such damage is difficult to establish. It is therefore expressly agreed, as a part of the consideration inducing HCDE to execute the Agreement, that Contractor's failure to achieve Substantial Completion and Final Completion by the agreed dates shall result in liquidated damages in the amount of \$100.00 per day for each and every day after the date of which Substantial Completion and Final

Completion are to occur until Substantial Completion and Final Completion are achieved. Contractor agrees that HCDE may deduct liquidated damages from the final payment made to Contractor or from any compensation otherwise to be paid to Contractor. It is expressly understood that payment of liquidated damages in the amount of \$100.00 per day is agreed upon as a fair estimate of the pecuniary damages which will be sustained by HCDE in the event that the Work is not substantially completed or finally completed within the agreed times, or within the legally extended times, if any, otherwise provided herein. Said sum shall be considered as liquidated damages only and in no sense shall be considered a penalty, said damage being caused by additional compensation to personnel, for loss of interest on money and other miscellaneous increased costs, all of which are difficult of exact ascertainment.

24.3 When Contractor considers that the Work, or a portion thereof, which HCDE agrees to accept separately, is substantially complete, Contractor shall prepare and submit to HCDE a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of Contractor to complete all Work in accordance with the Agreement.

24.4 When Contractor considers that the Work is Finally Complete, Contractor shall prepare and submit to HCDE written notice that the Contractor finds the Work to be Finally Complete. Completion of the Work shall be considered final only upon written approval of Final Completion and acceptance of the Work by HCDE's designated representative. Final payment of the Contract Sum, constituting the unpaid balance of the Contract Sum, shall not be paid until the Work has been finally completed and accepted by HCDE's designated representative, in writing. Final payment shall be paid by HCDE to Contractor within thirty (30) days of HCDE's approval of Final Completion and acceptance of the Work.

24.5 If HCDE disputes a portion of any payment due to Contractor under the Agreement, HCDE may withhold any such disputed amounts, without interest, for a period of forty-five (45) days after such payment would otherwise have been due to Contractor, as long as HCDE makes a reasonable attempt to resolve the dispute with Contractor. If, after such forty-five (45) day withholding period, HCDE continues to dispute any portion of the payment, HCDE may continue to withhold any such disputed amount until the dispute is resolved, except that, if HCDE is found to have wrongfully withheld such disputed amount, Contractor shall be entitled to interest on the wrongfully withheld amount from the original date that payment of such amount was due to Contractor until the date HCDE pays such amount to Contractor in full. The interest rate under this section may not exceed the Judgment Rate published by the Office of Consumer Credit Commissioner.

24.6 If, within one year after the date of Final Completion of the Work, any of the Work is found to be not in accordance with the requirements of the Agreement, Contractor shall correct it, at Contractor's sole cost and expense, promptly after receipt of written notice from HCDE to do so. HCDE shall give such notice promptly after discovery of the condition. If Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from HCDE, HCDE may correct it in accordance with Article 21. Nothing contained in this Article 24.5 shall be construed to establish a period of limitation with respect to other obligations Contractor has under the Agreement. Establishment of the one-year period for correction of Work as described herein relates only to the specific obligation of Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Agreement may be sought to be enforced, nor to the time within which proceedings may be commenced to establish Contractor's liability with respect to Contractor's obligations other than specifically to correct the Work.

25. **HCDE's Right to Terminate:** HCDE may terminate the Agreement, at any time, for HCDE's convenience and without cause upon thirty (30) days written notice to Contractor. If HCDE terminates the

Agreement, Contractor shall only be paid for the Work actually performed prior to the effective date of the termination.

Upon receipt of written notice from HCDE of such termination for HCDE's convenience, Contractor shall immediately: (a) cease operations as directed by HCDE in the notice; (b) take actions necessary, or that HCDE may direct, for the protection and preservation of the Work; and (c) except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders. In case of such termination for the Owner's convenience, Contractor shall be entitled to receive payment for Work actually performed prior to the effective date of the termination.

**26. Payment and Performance Bonds:** Contractor shall furnish (1) a Statutory Performance Bond for contract amounts over \$100,000.00 in an amount equal to One Hundred Percent (100%) of the Contract Sum as security for the faithful performance of the Agreement and (2) a Statutory Labor and Material Payment Bond for contract amounts over \$25,000.00 in an amount not less than One Hundred Percent (100%) of the Contract Sum as security for the payment of all persons performing labor on the project under the Agreement and furnishing materials in connection with the Agreement. The Performance Bond and the Labor and Material Payment Bond may be in one or in separate instruments in accordance with local law and shall be delivered to HCDE not later than the date of execution of the Agreement. Contractor shall require the attorney-in-fact who executes the required bonds on behalf of the surety to affix thereto a certified and current copy of the power of attorney. The bonds shall be executed by a corporate surety in accordance with Texas Insurance Code 7.19-1.

**27. Insurance:**

27.1 At its sole cost and expense, Contractor shall purchase from and maintain, in a company or companies with not less than an "A" rating and meeting the minimum qualifications outlined in Texas Insurance Code § 3503.001 for insurance companies insuring work related to public entities, lawfully authorized to do business in the jurisdiction in which the Project is located, such coverage in the following limits, on an occurrence basis, with HCDE named as an additional insured, as follows:

- a) Builders' risk insurance in Contractor's and HCDE's names against loss or damage by fire or storm on the entire Work, including structures as well as materials and equipment adjacent thereto intended for use on the Project, in the amount of one hundred percent (100%) of the value;
- b) Workers' Compensation (with Waiver of subrogation to HCDE) Employer's Liability, including all states, U.S. Longshoremen, Harbor Workers and other endorsements, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, as required by statute and which meets the statutory requirements of Texas Labor Code Section 401.011(44) for all employees of Contractor providing services on the Project, for the duration of the Project Contractor shall comply with the requirements of Rule 28, TAC Section 110.110, Reporting Requirements for Building or Construction Projects for Governmental Entities.
- c) Public liability in limits of not less than \$1,000,000;
- d) Property damage in limits of not less than \$1,000,000;
- e) Statutory and Bodily Injury by Accident: \$100,000 each employee. Bodily Injury by Disease: \$500,000 policy limit \$100,000 each employee;
- f) Commercial General Liability Occurrence Form including, but not limited to, Premises and Operations, Products Liability Broad Form Property Damage, Contractual Liability, Personal and Advertising Injury Liability and where the exposure exists, coverage for watercraft, blasting collapse, and explosions, blowout, catering and underground damage.

- \$300,000 each occurrence Limit Bodily Injury and Property Damage combined
  - \$300,000 Products-Completed Operations Aggregate Limit \$500,000 per Job Aggregate
  - \$300,000 Personal and Advertising Injury Limit
  - Bodily Injury liability of not less than \$1,000,000
- g) Automobile Liability Coverage
- \$300,000 Combined Liability Limits Bodily Injury and Property Damage Combined

27.2 All policies of insurance required of Contractor herein shall waive all rights of subrogation against HCDE, its officers, employees, and agents. All policies of insurance, including any renewals thereof, must specify that such coverage will not be canceled or materially changed without a minimum of thirty (30) days prior written notice to HCDE. HCDE shall be named as an “additional insured” on all insurance policies. Contractor shall furnish certified copies of original insurance policies to HCDE before any Work is started by Contractor.

27.3 The insurance requirements stated herein do not establish limits of Contractor’s liability and are separate from and independent of any indemnification obligation of Contractor. HCDE reserves the right to require additional insurance from Contractor as HCDE deems necessary. Contractor shall also require that its Subcontractors provide evidence of insurance of the same types and amounts as Contractor herein, prior to conducting any Work on the Project.

27.4 HCDE and Contractor hereby mutually release each other (and their successors, assigns, subcontractors, agents, and employees) from liability and waive all right of recovery against the other for any loss or damage covered by their respective first party property insurance policies for all perils insured thereunder. In the event of such insured loss, neither Party’s insurance company shall have a subrogated claim against the other.

27.5 If Contractor fails to obtain or maintain any of the required insurance coverage, HCDE may obtain and maintain such insurance, and Contractor shall reimburse HCDE for the actual cost of such insurance within thirty (30) days after receipt of HCDE’s invoice or HCDE may offset such amount against any payment due Contractor.

28. **No Mechanics or Materials Liens:** Contractor hereby acknowledges that mechanics and materials liens are unavailable against a public entity, including HCDE.

29. **Relationship of Parties:** Contractor is engaged under the Agreement as an independent contractor and not as an agent or employee of HCDE. Contractor is not entitled to benefits of any kind to which HCDE’s employees are entitled, including but not limited to unemployment compensation, workers compensation, health insurance or retirement benefits. Contractor assumes full responsibility for payment of all federal, state and local taxes or contributions, including but not limited to, unemployment insurance, social security, Medicare and income taxes with respect to Contractor and Contractor’s employees. The Agreement shall not be construed to create or imply any partnership or joint venture between the Parties hereto, nor shall it be construed or deemed an endorsement of a specific company or product. The Agreement does not authorize either Party to serve as the legal representative or agent of the other. Neither Party has any right or authority to assume, create, or incur any liability or any obligation of any kind, express or implied, against or in the name of or on behalf of the other Party.

30. **Indemnity:** CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD HCDE, HCDE'S CONSULTANTS, AGENTS, AND EMPLOYEES HARMLESS FROM ANY AND ALL LOSS, EXPENSE, COST OR LIABILITY (INCLUDING REASONABLE ATTORNEY'S FEES AND EXPENSES), ARISING FROM ANY CLAIM OR CAUSE OF ACTION FOR ANY LOSS OR DAMAGE CAUSED BY OR ARISING FROM THE PERFORMANCE OF CONTRACTOR'S OBLIGATIONS UNDER THE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THE CONDUCT OF CONTRACTOR'S EMPLOYEES, SUBCONTRACTORS, SUB-SUBCONTRACTORS OR ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY THEM. IN CASE OF ANY SUCH CLAIM, CONTRACTOR, UPON NOTICE FROM HCDE, COVENANTS TO DEFEND ANY SUCH ACTION OR PROCEEDING, EVEN IF SUCH ACTION OR PROCEEDING ALLEGES THAT THE LOSS OR DAMAGE WAS CAUSED BY HCDE'S NEGLIGENCE.

In claims against any person or entity indemnified under this Article by an employee of Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under this Article shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

31. **Antitrust Violations:** To permit HCDE to recover damages suffered in antitrust violations, the Agreement must include the following wording, "Contractor hereby assigns to [HCDE] any and all claims for overcharges associated with this contract which arise under the antitrust laws of the United States, 15 U.S.C.A. Section 1 et.seq. (1973)," and HCDE hereby incorporates such language into the Agreement. Contractor shall include this provision in its agreements with each Subcontractor and supplier. Each Subcontractor shall include such provisions in agreements with Sub-subcontractors and suppliers.

32. **Notices:** All notices, consents, and requests ("Notices") provided to be given under the Agreement shall be given by hand-delivery, certified mail or registered mail, addressed to the proper Party, at the addresses indicated at the bottom of the Agreement. Notices shall be deemed to have been duly served if delivered in person to the designated representative of the Party; or if delivered at, or sent by registered or certified mail or by courier service providing proof of delivery to, the address of the Party as listed below. Notices are effective upon receipt. Each Party may change the address at which Notices may be sent to that Party by giving advance written notice of such change to the other Party by certified mail, return receipt requested.

33. **Compliance With Laws:** Contractor agrees that it will, in its performance of its obligations hereunder, fully comply with all applicable laws, regulations and ordinances of all relevant authorities, including but not limited to those pertaining to safety, and shall obtain all licenses, registrations or other approvals required in order to fully perform its obligations hereunder. Contractor represents and warrants that all improvements made to the property shall comply with the Americans with Disabilities Act and all other applicable codes, regulations and laws.

34. **No Waiver:** No action or failure to act by HCDE or Contractor shall constitute a waiver of a right or duty afforded either Party under the Agreement, including, but not limited to, the requirements of Article 36, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing, signed by both Parties. The waiver by any Party of any right, obligation, or breach of the Agreement shall not be construed as a waiver of any other or subsequent right, obligation, or breach.



35. **No Third Party Beneficiaries:** The Agreement Documents, or any term or provisions thereof or any inclusion by reference, shall not be construed as being for the benefit of any party not in signatory thereto. No person, other than the Parties, is entitled to rely on any representation, warranty, covenant, or agreement contained herein.

36. **Amendment:** The Agreement may not be supplemented, amended, changed, or otherwise modified, except by a Valid Amendment, which requires an instrument in writing, to be attached to and incorporated in the Agreement in the form of either (1) a formal written amendment to the Agreement Documents signed and delivered by duly authorized representatives of both Parties hereto, or (2) a Change Order, issued by HCDE or its authorized representative, as provided in this section. The Agreement may not be supplemented, amended, changed, or otherwise modified by conduct of either Party, custom, usage of trade, or course of dealing.

36.1 **Change Orders:** If HCDE desires to increase the Scope of Work, the Parties will execute a written Change Order, signed by duly authorized representatives of both Parties hereto, increasing the Scope of Work and adjusting the Contract Sum and/or the Contract Time as mutually agreed by the Parties. In the event that HCDE desires to reduce the Scope of Work, HCDE may unilaterally issue a Change Order, signed by a duly authorized representative of HCDE only, reducing the Scope of Work and adjusting the Contract Sum and/or the Contract Time. If HCDE issues a Change Order reducing the Scope of Work, Contractor is entitled to payment for the portion of the deleted Work actually performed, if any, prior to the effective date of the Change Order. The Parties agree that in no event shall the action or failure to act by HCDE or Contractor constitute a waiver of requirements of this section, except as provided by Article 34.

In accordance with Texas Local Government Code § 271.060, the original Contract Sum may not be increased by more than twenty-five percent (25%). The original Contract Sum may not be decreased by more than twenty-five percent (25%) without the consent of Contractor.

36.2 **Adjustments in Excess of \$25,000:** Contractor hereby acknowledges that any Valid Amendment in which the Contract Sum is adjusted by more than \$25,000 shall require approval of HCDE's Board of Trustees, in accordance with HCDE's Policy CV (Local). The submission of Valid Amendments on a component basis, with the intention of circumventing the requirement of Board approval for Valid Amendments in excess of \$25,000 is prohibited.

37. **HCDE's Right to Audit:** HCDE, upon written notice, shall have the right to audit all documents relating to the Project at any time during construction and for a period of two (2) years after the Date of Final Completion. Records subject to audit shall include, but are not limited to, records which may have a bearing on matters of interest to HCDE in connection with Contractor's Work for HCDE and shall be open to inspection and subject to audit and/or reproduction by HCDE's agents or its authorized representative to the extent necessary to adequately permit evaluation and verification of (a) Contractor's compliance with contract requirements (b) compliance with HCDE's procurement policies and procedures (c) compliance with provisions for computing bills to HCDE and (d) any other matters related to the Agreement between HCDE and Contractor. Each Party shall pay for its own costs and expenses incurred in assisting HCDE with audits performed pursuant to this Article. Contractor shall include audit provisions identical to this Article in all subcontracts and purchase orders.

38. **Assignment:** Neither Party shall assign or otherwise transfer the Agreement, any part hereof, or any payment or part of the payment which may accrue under the Agreement, without the prior written consent of the other Party. In the event HCDE grants such written approval, Contractor shall nonetheless be obligated to

HCDE to complete the Project in the time and manner agreed herein, all in accordance with the terms and conditions of the Agreement. Contractor shall be liable for all acts and omissions of any assignee as if performed or omitted by Contractor.

39. **Attorney's Fees:** In the event either Party breaches any of the terms of the Agreement Documents whereby the Party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting Party agrees to pay the reasonable attorney's fees and expenses incurred by the non-defaulting Party, in addition to any other relief to which the non-defaulting Party may be entitled under the Agreement. This provision shall be construed as applicable to the entire Agreement.

40. **Entire Agreement:** The Agreement, the procurement solicitation issued by HCDE: Job/RFP No. [ENTER], including the terms and conditions detailed therein (the "RFP"), and Contractor's proposal submitted in response to Job/RFP No. [ENTER], and the attached and incorporated addendum or exhibits, if any, shall constitute the complete and exclusive written expression of the intentions of the Parties hereto with respect to the Project and shall supersede all previous communications, representations, agreements, promises or statements, either oral or written, by and between either Party with respect to the Project. In the event of a conflict between this Agreement and the RFP or Contractor's proposal submitted in response to the RFP, this Agreement shall control. In the event of a conflict between the RFP and Contractor's proposal submitted in response to the RFP, the RFP shall control. This Agreement supersedes any conflicting terms and conditions on any purchase or work orders, invoices, checks, order acknowledgements, forms, purchase orders, or similar commercial documents relating hereto and which may be issued by Contractor after the Effective Date of this Agreement.

No supplements, retractions, amendments, modifications, or changes to the Agreement shall be valid unless they are Valid Amendments in accordance with Article 36. Any Valid Amendments to the Agreement must be in writing and signed by the required Party(ies) in accordance with Article 36. The Parties expressly agree that the Agreement shall not be construed against either Party.

41. **Governing Law and Venue:** The Agreement shall be governed by the law of the State of Texas, without regard to any provisions on conflicts of law. Venue for all legal proceedings related to the Agreement or the obligations thereunder shall be in Houston, Harris County, Texas, and the Parties hereby submit to the exclusive jurisdiction of the state and federal courts in Houston, Harris County, Texas.

42. **Severability:** In the event that any one or more of the provisions contained in the Agreement 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 of the Agreement, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

43. **Survival of Provisions:** All representations, warranties, covenants, indemnities, and other continuing obligations as expressly provided in the Agreement shall survive the expiration or earlier termination of the Agreement.

44. **Force Majeure:** Neither Party to the Agreement shall be liable for any failure to perform the terms of the Agreement when such failure is due to Force Majeure as defined in this Article. The term "Force Majeure" as used in the Agreement shall mean any delay or default in performance hereunder due to causes beyond the control of the Parties and without their fault or negligence that could not have been prevented or avoided by the affected Party through the exercise of due diligence, including, but not limited to" acts of God or the public;

civil disturbances, arrests or restraints by rulers and people, acts, requests or interruptions of the federal, tribal, state, or local government or any agency thereof, or of any federal, tribal, state, or local officer purporting to act under duly constituted authority, court orders, present and future valid orders of any governmental entity, or any officer, agency or any instrumentality thereof, floods, wildfires, acts of the public enemy (including terrorists), wars, strikes, lockouts, or industrial disturbances, interruption of transportation, freight embargoes or failures, exhaustion or unavailability of equipment or services necessary to the performance of any provision herein due to allocations promulgated by authorized governmental entities , riots, rebellions, blockade, insurrection, sabotage, epidemics, invasions, landslides, earthquakes, quarantine, restrictions, breakage or accident to machinery or lines of pipe due to intervention of third party causes (not arising from the performance of the Work). Force majeure shall not include rainout or ordinary weather days that require Work stoppage, and in no event shall include routine scheduled equipment maintenance or breakage.

45. **Exhibits:** The following Exhibits (including Valid Amendments thereto) are attached hereto, as Agreement Documents, and fully incorporated herein by reference:

- a) Exhibit A: Prevailing Wage Rates
- b) Exhibit B: Construction Schedule

IN WITNESS WHEREOF the undersigned Parties hereto execute the Agreement as of this day and year indicated below.

HCDE: Harris County Department of Education  
6300 Irvington Boulevard  
Houston, Texas 77022

\_\_\_\_\_  
Jesus J. Amezcua, Ph.D., CPA, RTSBA  
Assistant Superintendent – Business Services  
Date: \_\_\_\_\_

CONTRACTOR: **[ENTER NAME]**  
**[ENTER CONTRACTOR'S ADDRESS]**

\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## **EXHIBIT A to Contractor Agreement PREVAILING WAGE RATES**

All Contractors and Subcontractors shall comply with all applicable laws regarding prevailing wage rates including, but not limited to, Texas Government Code Chapter 2258 and any related federal requirements applicable to this procurement by HCDE, including the Davis-Bacon Act. **All Contractors and Subcontractors shall comply with all state and federal laws including, but not limited to, laws of labor, minimum wage, safety, and equal employment opportunity. All Contractors and Subcontractors must pay not less than the general prevailing wage rate as listed herein plus any applicable fringe benefits.**

The prevailing wage rates listed are to be considered the minimum to be paid, and the listing of prevailing wage rates shall not be construed to prohibit the payment of rates higher than those listed. The Contractor and Subcontractor(s) shall maintain an adequate workforce whether wage rates higher than those listed are required or not. HCDE will not consider claims for additional compensation because of payments of wage rates in excess of the applicable rates listed herein.

Chapter 2258 of the Texas Government Code applies to the construction of a public work, including a building, highway, road, excavation, and repair work or other project development or improvement, paid for in whole or in part from public funds, without regard to whether the work is done under public supervision or direction. Section 2258.021 mandates that a worker employed on a public work other than maintenance work be paid not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the work is performed and not less than the general prevailing wage rate of per diem wages for legal holiday and overtime work. A worker is employed on a public work if the worker is employed by a contractor or subcontractor in the execution of a contract for the public work with HCDE.

**For projects involving federal funds**, HCDE has adopted the prevailing wage rate as determined by the U.S. Department of Labor in accordance with the Davis-Bacon Act (40 U.S.C. § 276a et seq) and its subsequent amendments, as the prevailing rate of per diem wages in HCDE for each craft or type of worker needed to execute a public works contract and also for legal holiday and overtime work involving federal funds. See HCDE Policy CV (Local). The current U.S. Department of Labor wage determination rates for Texas may be accessed on the Internet at <http://www.access.gpo.gov/davisbacon/>. Click on Browse all Determinations by State and then click on Texas. Then locate Harris County. Click under the Building column for Harris County to access the rates for all trades.

**For projects not involving federal funds**, HCDE has adopted the prevailing wage rate as determined by Harris County, Texas as the prevailing rate of per diem wages in HCDE for each craft or type of worker needed to execute a public works contract and also for legal holiday and overtime work not involving federal funds. See HCDE Policy CV (Local). The current wage determination rates for Harris County, Texas may be accessed on the Internet at <http://www.eng.hctx.net/wage>. Click on Prevailing Wage Rate Building Construction to access the rates for all trades.

Prevailing Wage Rates: Base per Diem rate shall be taken as the hours worked per day times the Base Hourly Rate.  
Overtime Rates: Over 40 hours per week and holidays at base hourly rate times 1.5.

Section 2258.023 of the Texas Government Code, entitled "PREVAILING WAGE RATES TO BE PAID BY CONTRACTOR AND SUBCONTRACTOR; PENALTY," states, in pertinent part:

- (a) The contractor who is awarded a contract by a public body or a subcontractor of the contractor shall pay not less than the rates determined under Section 2258.022 to a worker employed by it in the execution of the contract.
- (b) A contractor or subcontractor who violates this section shall pay to the state or a political subdivision of the state on whose behalf the contract is made, \$60 for each worker employed for each calendar day or part of the day that the worker is paid less than the wage rates stipulated in the contract. A public body awarding a contract shall specify this penalty in the contract.
- (d) The public body shall use any money collected under this section to offset the costs incurred in the administration of this chapter.

**Contractor certifies that it is in compliance with all applicable standards, orders and/or regulations issued pursuant to the programs subject to the Davis-Bacon Act (40 U.S.C. 276a et seq.), the Regulations of the Department of Labor, 29 CFR part 5, and Texas Government Code Chapter 2258.**

**EXHIBIT B to Contractor Agreement  
CONSTRUCTION SCHEDULE**

1. Begin Construction: **[ENTER]**
2. Substantial Completion: **[ENTER]**
3. Final Completion: **[ENTER]**

The Construction Schedule above includes an allowance of Anticipated Weather Days, which are regular working days, in accordance with the following schedule:

January	3	July	4
February	4	August	4
March	4	September	4
April	2	October	3
May	5	November	5
June	6	December	4

Weather Days shall pertain to such items as rain, flooding, snow, unusually high winds, excessively wet grounds, or the like which prevent progress on items which affect the critical path of the Work on regular working days only. If such situations occur on more than the number of Anticipated Weather Days included in the Bid Completion Time and if those additional days prevent the Contractor from performing the critical path of the scheduled Work, a change to the Contract Time may be done in accordance with Article 36 in the Agreement; if the inclement weather is rain-related, the rain at the Project Site must have been in excess of .50 (1/2) inch in 24 hours.

**Interlocal Agreement**  
**between Harris County Department of Education**  
**& \_\_\_\_\_**

Pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and Chapter 271, Subchapter F of the Texas Local Government Code, and other similar, applicable laws of other states, this Interlocal Agreement (“Agreement”) is made and entered into by and between Harris County Department of Education (“HCDE”), located in Houston, Texas, and \_\_\_\_\_, a local governmental entity and/or political subdivision (“LGE”), located in \_\_\_\_\_ (city), \_\_\_\_\_ (state), for the purpose of contracting for the performance of governmental functions and services. The undersigned may be referred to in this Agreement individually as a “Party” and collectively as the “Parties.”

**Preamble**

HCDE is a local governmental entity established to promote education in Harris County, Texas and is duly authorized to provide programs and services in the State of Texas. Both HCDE and LGE desire to set forth, in writing, the terms and conditions of their agreement.

**General Terms and Conditions**

In consideration of the mutual covenants and conditions contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Term. The term of this Agreement shall commence on the date of the first signature of this Agreement (“Effective Date”) and shall automatically renew annually, unless either Party gives thirty (30) days prior written notice of non-renewal.
2. Agreement. The terms of this Agreement shall apply and will be considered a part of any addendum, purchase order, or contract for programs and services delivered by HCDE. This Agreement and the attached and incorporated addenda, purchase orders, or exhibits, if any, contain the entire agreement of the parties, and there are no representations, agreements, arrangements, or undertakings, oral or written, between the Parties to this Agreement other than those set forth in this Agreement and duly executed in writing.
3. Purpose and Scope of Work.
  - A. HCDE agrees to:**
    - Provide LGE with descriptive offerings of each of the programs and services that HCDE provides.
    - Provide programs and services upon LGE’s submission of independent contracts or purchase orders to HCDE and HCDE’s acceptance thereof. HCDE’s obligations to provide programs and services is contingent on HCDE acquiring and maintaining sufficient staffing through reasonable efforts to satisfy HCDE’s obligations under this Agreement and all similar obligations under its contracts with other local governmental entities.
    - Conduct, at a minimum, an annual audit or survey, as appropriate, for each of the programs and services that HCDE delivers.
  - B. LGE agrees to:**
    - Participate in any or all of the programs and services that HCDE offers, in LGE’s sole discretion.

- Submit purchase order(s) or independent contract(s) for each of the HCDE programs and/or services that LGE desires to purchase and/or collaborate.
  - Agree to follow the terms and conditions of each independent contract or purchase order.
  - Designate a person to act as LGE's representative to each respective HCDE program and/or service delivered.
4. As is. HCDE makes this Agreement available to HCDE participating entities "as is" and is under no obligation to revise the terms, conditions, scope, prices, and/or any requirements of the Agreement for the benefit of LGE.
  5. Master Contract. This Agreement can be utilized as a Master Contract. The general terms and conditions in this Agreement will serve to outline the working relationship between HCDE and LGE.

LGE agrees to adhere to the specific terms and conditions set forth for the HCDE programs and/or services as contracted by LGE. In the case of a conflict between this Agreement and any addendum, purchase order, or individual contract for a specific HCDE program or service, the provisions of the addendum, purchase order, or individual contract will govern.

6. Payments. The Parties agree that all payments made under this Agreement will be in an amount that fairly compensates the performing Party for the services or functions performed under this Agreement. The Parties further agree that each Party paying for the performance of governmental functions or services pursuant to this Agreement must make those payments from current revenues available to the paying Party.
7. Invoices. HCDE will invoice LGE for the HCDE programs and services that LGE purchases from HCDE. LGE agrees to remit payment to HCDE within thirty (30) days after the later of the following: (1) the date LGE receives the goods; (2) the date the performance of the service is completed; or (3) the date LGE receives an invoice for the goods or service. If LGE makes a payment to HCDE with a credit card, LGE agrees to pay to HCDE a surcharge fee consisting of any applicable credit card fees and/or costs incurred by HCDE, including, without limitation, the processing fee(s) charged to HCDE by the credit card company(ies).
8. Participation in HCDE's Cooperative Purchasing Program. If LGE elects to participate in HCDE's cooperative purchasing program, Choice Partners, LGE shall be permitted to purchase goods and services using the contracts competitively procured by HCDE. HCDE does not assess a fee to LGE for participation in Choice Partners. LGE shall make payments directly to vendors. LGE shall be responsible for ordering, inspecting, and accepting the goods and services purchased through Choice Partners. LGE shall further be responsible for the vendors' compliance with provisions relating to the specific quality of goods and services delivered and terms of delivered, as set forth between LGE and the vendor. HCDE is not responsible or liable for the performance of any vendor used by LGE as a result of this Agreement or LGE's participation in Choice Partners.
9. Compliance with Laws. Each Party is responsible for complying with applicable laws and regulations relating to this Agreement and any purchase made under this Agreement.

10. Termination. This Agreement may be terminated prior to the expiration of the Term hereof as follows:

- By either Party, with or without cause, upon thirty (30) days' prior written notice;
- By mutual written agreement of the Parties; or
- By either Party immediately if the other Party commits a material breach of any of the terms of this Agreement and no remedial action can be agreed upon by the Parties.

Termination of this Agreement by a Party shall not terminate an existing purchase order or individual contract between HCDE and LGE or between LGE and an HCDE cooperative purchasing program vendor. In the event of termination of this Agreement or any purchase order or individual contract, LGE shall be responsible for compensating HCDE for programs and services provided by HCDE up to the effective date of termination.

11. Assignment. Neither this Agreement nor any duties or obligations entered in subsequent contracts because of this agreement shall be assignable by either party without the prior written acknowledgment and authorization of both parties.
12. Conflict of Interest. During the Term of HCDE's service to LGE, LGE, its personnel and agents, shall not, directly or indirectly, whether for LGE's own account or with any other person or entity whatsoever, employ, solicit or endeavor to entice away any person who is employed by HCDE.
13. Contract Amendment. This Agreement may be amended only by the mutual agreement of all Parties, in writing, to be attached to and incorporated into this Agreement.
14. Notice. Any notice provided under the terms of this Agreement 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:

Harris County Department of Education  
Attn: James Colbert, Jr.  
County School Superintendent  
6300 Irvington Blvd.  
Houston, Texas 77022  
713-694-6300

\_\_\_\_\_ ("LGE")  
Attn: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

15. Relation of Parties. It is the intention of the parties that LGE is independent of HCDE and not an employee, agent, joint venturer, or partner of HCDE and nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee, agent, joint venturer or partner, between HCDE and LGE or HCDE and any of LGE's representatives.
16. Non-Exclusivity of Services. Nothing in this Agreement may be construed to imply that HCDE has exclusive right to provide LGE with programs or services. During the Term of this Agreement, LGE reserves the right to use all available resources to procure other programs and services as needed and, in doing so, will not violate any rights of HCDE.



17. Disclaimer. HCDE DOES NOT WARRANT THAT THE OPERATION OR USE OF HCDE PROGRAMS AND/OR SERVICES WILL BE UNINTERRUPTED OR ERROR FREE. HCDE HEREBY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, IN REGARD TO ANY INFORMATION, PRODUCT, PROGRAM, OR SERVICE FURNISHED UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
18. Limitation of Liability. Without waiver of the Disclaimer in Article 17 of this Agreement, the Parties agree that:
- Neither Party waives any immunity afforded to it under applicable law; and
  - Neither Party shall be liable to the other Party for special, incidental, or exemplary damages with regard to any lawsuit or formal adjudication arising out of or relating to this Agreement.
19. Severability. In the event that any one or more of the provisions contained in this Agreement 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 Agreement shall be construed as if such invalid, illegality, or unenforceable provision had never been contained in it.
20. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflicts of laws provisions. The mandatory and exclusive venue for the adjudication or resolution of any dispute arising out of this Agreement shall be in Houston, Harris County, Texas.
21. No Waiver. Nothing in this Agreement shall be deemed to waive, modify, or amend any legal defense available at law or equity to a Party, including the defense(s) of immunity. No failure on the part of either Party at any time to require the performance by the other Party of any term hereof shall be taken or held to be a waiver of such term or in any way affect such Party's right to enforce such term, and no waiver on the part of either Party of any term hereof shall be taken or held to be a waiver of any other term hereof or the breach thereof. No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by duly authorized representatives of the Parties hereto.
22. Benefit for Signatory Parties Only. Neither this Agreement, nor any term or provisions hereof, not any inclusion by reference, shall be construed as being for the benefit of any party not in signatory hereto.
23. Authorization. Each party acknowledges that the governing body of each Party to the Agreement has authorized and approved this Agreement.
24. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original constituting one and the same instrument.

In witness whereof, HCDE and LGE have executed this Agreement to be effective on the date specified in Article 1. Term above:

\_\_\_\_\_  
Name of Local Governmental Entity

Harris County Department of Education

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Printed Name

James Colbert, Jr.

\_\_\_\_\_  
Title

County School Superintendent

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Type of Local Governmental Entity (*select one*):

- |   |  |
|---|--|
| <input type="checkbox"/> School District                  | <input type="checkbox"/> Charter School    |
| <input type="checkbox"/> County                           | <input type="checkbox"/> City/Municipality |
| <input type="checkbox"/> University                       | <input type="checkbox"/> College           |
| <input type="checkbox"/> State Entity                     |  |
| <input type="checkbox"/> Governmental entity/other: _____ |  |

**Participation Agreement**  
**between Harris County Department of Education**  
**& \_\_\_\_\_**

This Participation Agreement (“Agreement”) is made and entered into by and between Harris County Department of Education (“HCDE”), located in Houston, Texas, and \_\_\_\_\_, a non-profit corporation (“Non-Profit”), located in \_\_\_\_\_ (city), \_\_\_\_\_ (state), for the purpose of permitting Non-Profit to participate in any or all of the programs and services that HCDE offers, including, without limitation, HCDE’s cooperative purchasing program, Choice Partners. The undersigned may be referred to in this Agreement individually as a “Party” and collectively as the “Parties.”

**Preamble**

HCDE is a local governmental entity established to promote education in Harris County, Texas and is duly authorized to provide programs and services in the State of Texas. Non-Profit certifies, represents, and warrants that it is a non-profit, tax-exempt entity. Both HCDE and Non-Profit desire to set forth, in writing, the terms and conditions of their agreement.

**General Terms and Conditions**

In consideration of the mutual covenants and conditions contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Term. The term of this Agreement shall commence on the date of the first signature of this Agreement (“Effective Date”) and shall automatically renew annually, unless either Party gives thirty (30) days prior written notice of non-renewal.
2. Agreement. The terms of this Agreement shall apply and will be considered a part of any addendum, purchase order, or contract for programs and services delivered by HCDE. This Agreement and the attached and incorporated addenda, purchase orders, or exhibits, if any, contain the entire agreement of the parties, and there are no representations, agreements, arrangements, or undertakings, oral or written, between the Parties to this Agreement other than those set forth in this Agreement and duly executed in writing.
3. Purpose and Scope of Work.
  - A. HCDE agrees to:**
    - Provide Non-Profit with descriptive offerings of each of the programs and services that HCDE provides.
    - Provide programs and services upon Non-Profit’s submission of independent contracts or purchase orders to HCDE and HCDE’s acceptance thereof. HCDE’s obligations to provide programs and services is contingent on HCDE acquiring and maintaining sufficient staffing through reasonable efforts to satisfy HCDE’s obligations under this Agreement and all similar obligations under its contracts with other local governmental entities.
    - Conduct, at a minimum, an annual audit or survey, as appropriate, for each of the programs and services that HCDE delivers.
  - B. Non-Profit agrees to:**
    - Participate in any or all of the programs and services that HCDE offers, in Non-Profit’s sole discretion.

- Submit purchase order(s) or independent contract(s) for each of the HCDE programs and/or services that Non-Profit desires to purchase and/or collaborate.
  - Agree to follow the terms and conditions of each independent contract or purchase order.
  - Designate a person to act as Non-Profit's representative to each respective HCDE program and/or service delivered.
4. As is. HCDE makes this Agreement available to HCDE participating entities "as is" and is under no obligation to revise the terms, conditions, scope, prices, and/or any requirements of the Agreement for the benefit of Non-Profit.
  5. Master Contract. This Agreement can be utilized as a Master Contract. The general terms and conditions in this Agreement will serve to outline the working relationship between HCDE and Non-Profit.

Non-Profit agrees to adhere to the specific terms and conditions set forth for the HCDE programs and/or services as contracted by Non-Profit. In the case of a conflict between this Agreement and any addendum, purchase order, or individual contract for a specific HCDE program or service, the provisions of the addendum, purchase order, or individual contract will govern.

6. Payments. The Parties agree that all payments made under this Agreement will be in an amount that fairly compensates the performing Party for the services or functions performed under this Agreement. The Parties further agree that each Party paying for the performance of governmental functions or services pursuant to this Agreement must make those payments from current revenues available to the paying Party.
7. Invoices. HCDE will invoice Non-Profit for the HCDE programs and services that Non-Profit purchases from HCDE. Non-Profit agrees to remit payment to HCDE within thirty (30) days after the later of the following: (1) the date Non-Profit receives the goods; (2) the date the performance of the service is completed; or (3) the date Non-Profit receives an invoice for the goods or service. If Non-Profit makes a payment to HCDE with a credit card, Non-Profit agrees to pay to HCDE a surcharge fee consisting of any applicable credit card fees and/or costs incurred by HCDE, including, without limitation, the processing fee(s) charged to HCDE by the credit card company(ies).
8. Participation in HCDE's Cooperative Purchasing Program. If Non-Profit elects to participate in HCDE's cooperative purchasing program, Choice Partners, Non-Profit shall be permitted to purchase goods and services using the contracts competitively procured by HCDE. HCDE does not assess a fee to Non-Profit for participation in Choice Partners. Non-Profit shall make payments directly to vendors. Non-Profit shall be responsible for ordering, inspecting, and accepting the goods and services purchased through Choice Partners. Non-Profit shall further be responsible for the vendors' compliance with provisions relating to the specific quality of goods and services delivered and terms of delivered, as set forth between Non-Profit and the vendor. HCDE is not responsible or liable for the performance of any vendor used by Non-Profit as a result of this Agreement or Non-Profit's participation in Choice Partners.
9. Compliance with Laws. Each Party is responsible for complying with applicable laws and regulations relating to this Agreement and any purchase made under this Agreement.

10. Termination. This Agreement may be terminated prior to the expiration of the Term hereof as follows:

- By either Party, with or without cause, upon thirty (30) days' prior written notice;
- By mutual written agreement of the Parties; or
- By either Party immediately if the other Party commits a material breach of any of the terms of this Agreement and no remedial action can be agreed upon by the Parties.

Termination of this Agreement by a Party shall not terminate an existing purchase order or individual contract between HCDE and Non-Profit or between Non-Profit and an HCDE cooperative purchasing program vendor. In the event of termination of this Agreement or any purchase order or individual contract, Non-Profit shall be responsible for compensating HCDE for programs and services provided by HCDE up to the effective date of termination.

11. Assignment. Neither this Agreement nor any duties or obligations entered in subsequent contracts because of this agreement shall be assignable by either party without the prior written acknowledgment and authorization of both parties.

12. Conflict of Interest. During the Term of HCDE's service to Non-Profit, Non-Profit, its personnel and agents, shall not, directly or indirectly, whether for Non-Profit's own account or with any other person or entity whatsoever, employ, solicit or endeavor to entice away any person who is employed by HCDE.

13. Certificate of Interested Parties. HCDE is required to comply with House Bill 1295, which amended the Texas Government Code by adding Section 2252.908, Disclosure of Interested Parties. Section 2252.908 prohibits HCDE from entering into a contract with a business entity unless the business entity submits a Disclosure of Interested Parties (Form 1295) to HCDE at the time business entity submits the signed contract. Non-Profit agrees to complete the Certificate of Interested Parties electronically with the Texas Ethics Commission and submit the original signed, notarized certificate to HCDE with submission of this signed Agreement.

14. Contract Amendment. This Agreement may be amended only by the mutual agreement of all Parties, in writing, to be attached to and incorporated into this Agreement.

15. Notice. Any notice provided under the terms of this Agreement 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:

Harris County Department of Education  
Attn: James Colbert, Jr.  
County School Superintendent  
6300 Irvington Blvd.  
Houston, Texas 77022  
713-694-6300

\_\_\_\_\_ (“ Non-Profit”)  
Attn: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

16. Relation of Parties. It is the intention of the parties that Non-Profit is independent of HCDE and not an employee, agent, joint venturer, or partner of HCDE and nothing in this

Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee, agent, joint venturer or partner, between HCDE and Non-Profit or HCDE and any of Non-Profit's representatives.

17. Non-Exclusivity of Services. Nothing in this Agreement may be construed to imply that HCDE has exclusive right to provide Non-Profit with programs or services. During the Term of this Agreement, Non-Profit reserves the right to use all available resources to procure other programs and services as needed and, in doing so, will not violate any rights of HCDE.
18. Disclaimer. HCDE DOES NOT WARRANT THAT THE OPERATION OR USE OF HCDE PROGRAMS AND/OR SERVICES WILL BE UNINTERRUPTED OR ERROR FREE. HCDE HEREBY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, IN REGARD TO ANY INFORMATION, PRODUCT, PROGRAM, OR SERVICE FURNISHED UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
19. Limitation of Liability. Without waiver of the Disclaimer in Article 17 of this Agreement, the Parties agree that:
  - Neither Party waives any immunity afforded to it under applicable law; and
  - Neither Party shall be liable to the other Party for special, incidental, or exemplary damages with regard to any lawsuit or formal adjudication arising out of or relating to this Agreement.
20. Severability. In the event that any one or more of the provisions contained in this Agreement 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 Agreement shall be construed as if such invalid, illegality, or unenforceable provision had never been contained in it.
21. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflicts of laws provisions. The mandatory and exclusive venue for the adjudication or resolution of any dispute arising out of this Agreement shall be in Houston, Harris County, Texas.
22. No Waiver. Nothing in this Agreement shall be deemed to waive, modify, or amend any legal defense available at law or equity to a Party, including the defense(s) of immunity. No failure on the part of either Party at any time to require the performance by the other Party of any term hereof shall be taken or held to be a waiver of such term or in any way affect such Party's right to enforce such term, and no waiver on the part of either Party of any term hereof shall be taken or held to be a waiver of any other term hereof or the breach thereof. No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by duly authorized representatives of the Parties hereto.
23. Benefit for Signatory Parties Only. Neither this Agreement, nor any term or provisions hereof, not any inclusion by reference, shall be construed as being for the benefit of any party not in signatory hereto.

24. Authorization. Each party acknowledges that the governing body of each Party to the Agreement has authorized and approved this Agreement.
25. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original constituting one and the same instrument.

In witness whereof, HCDE and Non-Profit have executed this Agreement to be effective on the date specified in Article 1. Term above:

_____	Harris County Department of Education
Name of Non-Profit Corporation	
_____	_____
Authorized Signature	
_____	James Colbert, Jr.
Printed Name	
_____	County School Superintendent
Title	
_____	_____
Date	Date



## **INTERLOCAL AGREEMENT FOR EDUCATIONAL SERVICES FORTIS ACADEMY (RECOVERY HIGH SCHOOL)**

Pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, Harris County Department of Education ("HCDE") and \_\_\_\_\_ Independent School District, ("ISD") (individually a "Party" and collectively "Parties") hereby enter into an Interlocal Contract ("Contract") for the purpose of providing educational and related services for ISD's student(s) at HCDE's Fortis Academy.

### **BACKGROUND**

HCDE is a political subdivision of the State of Texas and operates Fortis Academy, a specialized public recovery high school with the intent to help students who have completed a substance abuse or dependency rehabilitation program continue their high school education in a sober environment.

ISD is a public, independent school district in the State of Texas providing educational services to students within ISD's boundaries. ISD has determined that placement at HCDE's Fortis Academy is appropriate for certain student(s) who are residents of the ISD. As such, both HCDE and ISD desire to set forth in writing the conditions of their agreement.

### **CONTRACT**

#### **1. Term.**

This Contract is for the term of \_\_\_\_\_, 20\_\_ through \_\_\_\_\_, 20\_\_. During said term, HCDE agrees to provide services described herein for one (1) unit(s) to eligible student(s) who ISD has determined may benefit from placement at HCDE's Fortis Academy (referred to herein as "student(s)") who are residents of the ISD. Except as otherwise specified in this Contract, and subject to applicable law and any necessary approval by Parties' Boards of Trustees, the term shall extend from year to year automatically, unless any Party provides thirty (30) days advance written notice of intent not to renew the Contract.

#### **2. HCDE Responsibilities.**

- a) HCDE agrees to provide facilities and certified/licensed personnel necessary to provide educational and therapeutic services to the student(s) placed at Fortis Academy in accordance with applicable law and during the days and times set forth by Fortis Academy.
- b) HCDE agrees that all services provided by HCDE hereunder shall be provided by licensed providers of mental health and/or substance abuse when required by applicable law. HCDE may perform the services contracted for herein by using its own employees or independent contractors.
- c) HCDE agrees to furnish the ISD with a weekly statement of student(s)'s attendance.



### **3. ISD's Responsibilities.**

- a) ISD is responsible for providing transportation for the student(s) to and from Fortis Academy. Location of pick-up and drop-off points and time of service will be mutually determined by representatives of ISD and HCDE.
- b) ISD shall provide copies of all Student Records (as hereinafter defined) pertaining to the student(s) no later than five (5) HCDE business days prior to student(s)'s first day of attendance at Fortis Academy. ISD agrees to furnish HCDE a copy of any additional pertinent documents regarding the student(s) that may be requested from or obtained by ISD during the term of this Contract. Student Records to be provided by ISD include, but are not limited to, the following: (a) a recommendation letter from the student(s)'s campus or ISD stating explicitly why the student is being referred to Fortis Academy; (b) the student's Middle School Plan (for students in grades 6-8) or the student's Graduation Plan (for students in grades 9-12); (c) the student's current transcript, including all achievement test records; (d) for special education students, the student's current IEP, in accordance with Article 7 this Contract; (e) withdrawal form, which shall indicate the list of current courses in which the student is enrolled, the grade earned and the textbook and other instructional resources being used with that subject; and (f) the student's current year's attendance records. ISD shall provide copies of additional records, including Student Records, as reasonably requested by HCDE.

### **4. Student Records; Confidentiality.**

For purposes of this Contract, "Student Records" shall be defined as student information including personal identifiers such as name, address, phone number, date of birth, Social Security number, and student identification number, and any student information protected by law, including "personally identifiable information" and student "education records" as those terms are defined by the Family Educational Rights and Privacy Act, 20 USC 1232g, as amended ("FERPA"); "personal information" as that term is defined in the Children's Online Privacy Protection Act of 1998 ("COPPA"); "personal information" as that term is defined in the Protection of Pupil Rights Amendment ("PPRA"); "personally identifiable information" as that term is defined in the Individuals with Disabilities Education Act, as amended ("IDEA"); "protected health information" as that term is defined in the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"); and "personal identifying information" and "sensitive personal information" as defined under the Texas Identity Theft Enforcement and Protection Act (Chapter 521, Texas Business and Commerce Code).

Notwithstanding any contrary provision of this Contract, both Parties and their employees, agents, and subcontractors may access and use Student Records only as permitted by law for the purpose(s) for which the disclosure was made. Both Parties agree to abide by FERPA's limitations and requirements imposed on school officials, including, but not limited to, the requirements of 34 C.F.R. 99.33(a). HCDE and ISD expressly agree that: (1) the services/functions to be provided by HCDE are services/functions for which ISD would otherwise use its own employees; (2) both Parties have been determined to meet the criteria set forth in ISD's annual notification of FERPA rights for being school officials with legitimate educational interests in the Student Records; (3) ISD is under HCDE's direct control with respect to ISD's access to, use of, and disclosure of Student Records as gathered and maintained by HCDE; (4) HCDE is under ISD's direct control with respect to HCDE's access to, use of, and disclosure of Student Records as gathered and maintained by HCDE; and (5) both Parties will use Student Records only for authorized purposes and will not re-disclose Student Records to other parties, unless each Party has specific authorization from the other Party to do so or the disclosure is otherwise permitted by applicable law, including without limitation, FERPA, HIPAA, COPPA, IDEA, PPRA and the Texas Identity Theft Enforcement and Protection Act.

**5. Immunity.**

Nothing in this Contract shall be construed as a waiver or relinquishment of any governmental immunities or defenses on behalf of either Party or their respective trustees, officers, employees, and agents as a result of the execution of this Contract or performance of the functions or obligations described herein.

**6. Collaboration.**

Both Parties agree to collaborate, as necessary, to administer the services described in this Contract and to act in the best interest of the student(s). Both Parties shall use collaborative problem-solving techniques and best efforts to resolve issues between the Parties as they may arise.

**7. Special Education Services.**

- a) Special education student(s) served under this Contract have been classified by the Admission, Review and Dismissal (ARD) Committee of the student(s)'s school of regular attendance within ISD and recommended for services as described herein. The ARD Committee of ISD has affirmed the classification and approved the recommendation of such contracted services. An HCDE representative must participate in the ARD Committee meeting considering the special education student(s)'s placement.
- b) HCDE is responsible for providing educational and support services to special education student(s) in the same manner those services are provided to non-disabled students. Any and all additional services and funding required to implement the student's Individualized Education Plan (IEP) and/or 504 plan are to be provided by ISD. ISD may make such services available in conjunction with Fortis Academy or at a separate time and location, at the discretion of ISD and the ARD Committee, with HCDE participation. If ISD chooses to make such services available in conjunction with Fortis Academy, ISD will cooperate with Fortis Academy to minimize disruption at Fortis Academy. If ISD requires the student(s) to leave Fortis Academy during the school day, the IEP must include transportation as a related service.
- c) HCDE will follow IDEA and other applicable laws when considering dismissal and/or expulsion of a qualified special education student(s) from the Fortis Academy program.

**8. Monitoring Student Progress.**

HCDE will update ISD on the progress of the referred student(s) at least once per semester, in a manner determined to be appropriate by HCDE, including, but not limited to, a grade report, summary of any formal disciplinary action, and summary of attendance. A member of the ISD administrative staff will monitor, assess, and evaluate student's progress as established by this Contract, including at least one (1) on-site visit annually.

**9. Invoices and Payment.**

- a) In consideration of the services provided herein, ISD agrees to pay HCDE an in-county fee of \$\_\_\_\_\_ and any additional fees in the following manner:
  - i) \$\_\_\_\_\_ times the number of units purchased;
  - ii) \$75.00 special education surcharge times the number of enrollment days for Special Education student(s); and
  - iii) \$115.00 per diem times the number of student(s) in attendance over the number of units purchased.
- b) HCDE will bill ISD for the amount of units purchased. ISD will be billed twice a year, and payment will be due within 30 days of the date of ISD's receipt of invoice. Payment obligations are non-cancelable, and fees paid are non-refundable. ISD may sell unused units to another independent school district upon obtaining HCDE's prior written consent.

- c) In the event that ISD makes a payment to HCDE with a credit card, ISD agrees to pay to HCDE a surcharge fee consisting of any applicable credit card fees and costs borne by HCDE, including, without limitation, the processing fee(s) charged to HCDE by the credit card company(ies).
- d) HCDE agrees to maintain records and accounts to the extent necessary to assure that funds received from ISD have been expended for the services described herein. HCDE agrees to provide these records and other information as may be requested and required by ISD.
- e) Each Party paying for the performance of governmental functions and/or invoices must make those payments from current revenues available to the paying Party.

#### **10. Payment By Student(s) and Parents.**

The parents of the student(s) placed at Fortis Academy shall not be charged for the services contracted under this Contract. Services needed by the student, if any, beyond the scope of the Contract shall be the responsibility of the student(s) and/or his/her parent or guardian.

#### **11. Eligibility and Placement of Student(s).**

HCDE, in its sole discretion, shall determine if a student is eligible for placement and to receive services at Fortis Academy. This includes, but is not limited to, determining if the student has successfully completed rehabilitation prior to placement at Fortis Academy. Once placed at Fortis Academy, the student shall remain at Fortis Academy until the earlier of successful graduation from Fortis Academy, removal by Fortis Academy in HCDE's sole discretion, or withdrawal by the student.

#### **12. Compliance with HCDE Policies, Procedures, and Rules.**

The student(s) placed at Fortis Academy and parent(s) shall be required to comply with all HCDE policies, procedures, rules, and required agreements and forms, including, but not limited to, execution of one or more agreements consenting to and waiving liability for placement at Fortis Academy, participation in activities, and requirements of Fortis Academy, such as substance abuse therapy, testing, and the like.

#### **13. ISD Liaison.**

ISD shall appoint a qualified liaison to communicate on behalf of ISD with HCDE representatives. The liaison shall be knowledgeable in no less than the student(s)'s educational and disciplinary records; Fortis Academy programs, policies, and procedures; and special education law, policies, and procedure, if appropriate. The ISD liaison shall make best efforts to assist Fortis Academy representatives in providing services to students, including, but not limited to, acquiring information regarding the student(s), assessing best placement, and communicating with ISD employees and student(s)'s parents/guardians, as necessary.

#### **14. Termination.**

- a) HCDE shall have the right to terminate this Contract for convenience, effective at the end of the Term, or with at least thirty (30) calendar days prior written notice to ISD. If HCDE exercises such termination right, HCDE shall have no obligation to refund to ISD the amount of any pre-paid fees for any period following the effective date of such termination.
- b) Both Parties may terminate this Contract with or without cause by mutual written agreement.
- c) Upon the effective date of termination or expiration of this Contract, except as otherwise explicitly stated herein, the Parties shall have no obligations to the other Party under this Contract. Student(s) in attendance at Fortis Academy at the time of termination or expiration of this Contract will return to ISD. All Student Records maintained by HCDE during the duration of providing services to the student will be

provided to ISD within ten (10) business days following the date of termination or expiration, at the written request of ISD.

**15. Equal Opportunity.**

It is the policy of HCDE not to discriminate on the basis of race, color, national origin, gender, limited English proficiency or handicapping conditions in its programs. ISD agrees not to discriminate against any employee, student(s), or other person or party in the performance of this Contract, with respect to placement at Fortis Academy, services to be provided, conditions and privileges of employment, or a matter directly or indirectly related to age (except where based on a bona fide occupational qualification), sex (except where based on a bona fide occupational qualification), race, color, religion, national origin, or ancestry. Breach of this covenant may be regarded as a material breach of this Contract.

**16. Assignment.**

Neither this Contract nor any duties or obligations under it shall be assignable by either Party without the prior written acknowledgment and authorization of the other Party.

**17. Notice.**

Any notice provided under the terms of this Contract by either Party to the other shall be in writing and shall be deemed sufficient forty-eight (48) hours after being deposited in the regular mail as certified mail, return receipt requested, if such notice is addressed to the party to be notified at such Party's address as set forth below:

HCDE  
Attention: James Colbert, Jr., County School Superintendent  
6300 Irvington Boulevard  
Houston, Texas 77022-5618

ISD  
Attention: \_\_\_\_\_, Superintendent

\_\_\_\_\_  
\_\_\_\_\_

Each Party may change the address at which notice may be sent to that Party by giving notice of such change to the other Party in accordance with the provisions of this Article.

**18. Third-Party Beneficiaries.**

Nothing in this Contract shall be deemed or construed to create any third-party beneficiaries or otherwise give any third party any claim or right of action against any party to this Contract.

**19. Choice of Law and Venue.**

This Contract shall be construed under the laws of the State of Texas, and mandatory and exclusive venue for any action arising out of this Contract shall be in Harris County, Texas.

**20. Amendments and Waivers.**

Any term of this Contract may be amended or waived only with the written consent of the Parties or their respective permitted successors and assigns. Any amendment or waiver effected in accordance with this Article shall be binding upon the Parties and their respective successors and assigns.

**21. Separate Entities.**

There is no relationship of agency, partnership, joint venture, employment, or franchise between the Parties. Neither Party has the authority to bind the other or to incur any obligation on its behalf. ISD assumes full responsibility for the actions of its personnel while performing any services incident to this Contract, including, but not limited to, transportation and special education services, and shall remain solely responsible for their supervision, direction and control, payment of salary, workers' compensation, disability benefits, and like requirements and obligations. ISD agrees that HCDE has no responsibility for any conduct of ISD or ISD's employees, agents, representatives, contractors, or subcontractors.

**22. Authority.**

Each Party acknowledges, represents, and warrants that it has the power and authority to enter into this Contract and to perform its obligations hereunder, without the need for any consents or approvals not yet obtained, except to the extent that this Contract requires approval of either Party's Board of Trustees.

**23. Force Majeure.**

Neither HCDE nor ISD shall be deemed to have breached any provision of this Contract as a result of any delay, failure in performance, or interruption of service resulting directly or indirectly from acts of God, network failures, acts of civil or military authorities, civil disturbances, wars, energy crises, fires, transportation contingencies, interruptions in third-party telecommunications or Internet equipment or service, other catastrophes, or any other occurrences which are reasonably beyond such party's control.

**24. Severability.**

In the event that any one or more of the terms or 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, illegal, or unenforceable provision had never been contained in it. The failure of a Party to enforce any provision of this Contract or to require performance by other party will not be deemed a waiver, or in any way affect the right of either party to enforce such provision thereafter.

**25. Contract Interpretation.**

The Parties agree that the normal rules of construction that require that any ambiguities in this Contract are to be construed against the drafter shall not be employed in the interpretation of this Contract.

**26. Captions.**

The captions herein are for convenience and identification purposes only, and not an integral part hereof, and are not to be considered in the interpretation of any part hereof.

**27. Entire Agreement.**

This Contract contains and embraces the entire agreement between the parties, and neither it, nor any part of it may be changed, altered, modified, limited or extended, orally or by any agreement between the parties, unless such agreement by expressed in writing, signed and acknowledged by HCDE and ISD.

**28. Compliance with Applicable Law.**

The Parties agree to comply with all federal, state, and local laws, rules, regulations, and ordinances, as applicable, including, but not limited to the Education Department General Administrative Regulations ("EDGAR"), 2 C.F.R. Parts 200 and 3474, and 34 C.F.R. Parts 75-77 and 81.

HCDE hereby certifies that it is not a company identified on the Texas Comptroller's list of companies known to have contracts with, or provide supplies or services to, a foreign organization designated as a Foreign Terrorist Organization by the U.S. Secretary of State. HCDE further certifies and verifies that HCDE

does not boycott Israel, and HCDE agrees that HCDE will not boycott Israel during the term of this Contract. For purposes of this Contract, the term “boycott” shall mean and include terminating business activities or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory.

---

ISD Superintendent/Designee

---

Date

---

County School Superintendent

---

Date

For HCDE Office use only: Revenue Account No. 19980060500800 57250000 Fortis Academy



## Internal Charges Agreement

**To:** Venetia Peacock, Senior Director, Head Start Program

**From:** Jeannette B. Truxillo, Dr.P.H, Director of Research and Evaluation Institute

**Date:** January 12, 2017

**Re:** Agreement for direct services provided by the Research and Evaluation Institute to the Head Start Program

---

### Background

Contracting Division: (needing the services) Head Start Division

Provider Division: (delivering services) Research and Evaluation Division

HCDE's Research and Evaluation Institute ("Institute") will work with HCDE's Head Start Program to provide project-based program evaluation services to HCDE's Head Start Program beginning January 1, 2017 through December 31, 2017. The specific services to be performed by the Institute are listed below, by project, and will be conducted throughout the 2017 calendar year according to timelines approved in writing by both Divisions.

Head Start funds will be allocated to the Institute upon completion of each project as documented by an accepted final report (deliverable). Funding is based on an hourly rate of \$45 per hour. Total funding to be allocated for all nine projects shall not exceed \$77,490 without prior written approval by the Directors of both Divisions and the Assistant Superintendent of Business Services, who will ensure that any increase in funding is allocable and warranted.

The Institute must maintain detailed records of the time and expenses associated with each project, specifically a record of the time spent on each project, the specific tasks and services performed for each time entry, the person who performed the work, and expenses, if any, incurred in performance of the service to which the Institute seeks reimbursement from Head Start funds. The Institute shall provide the detailed time and expense records to the Director of Head Start



and the Assistant Superintendent of Business Services at the completion of each project.

Both Divisions and their Directors shall ensure that all applicable laws, rules, and regulations, including but not limited to those regulations outlining direct cost allocation and recording principals, are followed. (2 C.F.R. Part 200 and Appendicies). The Directors will adhere to the Internal Charges Policies and Procedures included in the Financial Operating Guidelines.

The Contracting Division will be responsible for any approvals required by the granting agency for this agreement and to determine the eligibility of costs charged to a grant.

### Specific Requirements

The Provider Division will follow time and effort standards and provide detailed costs of material, labor and overhead on the invoice to the contracting division. Labor rates will be the actual salary rates adopted by HCDE for each staff member. Material costs will be only direct materials. Overhead will be any indirect costs associated with the services such as prorated postage,

### Projected Budget and Deliverables

The 2017 projects and their projected costs per deliverable include the following:

#### Services

Student Outcomes: data handling, analysis and reports

- |                                 |         |
|---------------------------------|---------|
| 1. Beginning of the year (BOY): | \$9,900 |
| 2. Middle of the year (MOY):    | \$9,900 |
| 3. End of the year (EOY):       | \$9,900 |
| 4. School Readiness:            | \$6,480 |

Staff Satisfaction – Surveys, analysis and reports

- |                                    |         |
|------------------------------------|---------|
| 5. Fall Organizational Feedback:   | \$8,100 |
| 6. Spring Organizational Feedback: | \$8,100 |

SuperMentor

- |  |          |
|--|----------|
| 7. Three surveys, analysis and report: | \$13,320 |
|--|----------|

Family Connection

- |                                 |         |
|---------------------------------|---------|
| 8. Survey, analysis and report: | \$5,850 |
|---------------------------------|---------|

Nutrition

- |                                 |         |
|---------------------------------|---------|
| 9. Survey, analysis and report: | \$5,940 |
|---------------------------------|---------|





### Timeline and changes

The agreement shall begin on \_\_\_\_\_ and end on \_\_\_\_\_.

Amendments to the agreement shall be in writing and cosigned by both directors prior to the end of the agreement.

### Invoices and Copy of document

Invoices shall be sent to the director for approval and then sent to the accounting office within 5 days of receipt in order for the contracting division is charged the expenditure and the providing division provided the revenue earned.

All invoices should be sent to the Chief Accounting Officer to record the appropriate revenue and expense. All invoices after 30 days of the year end will be honored and recorded.

**Approved:**

---

\_\_\_\_\_  
Jeannette Truxillo, Dr.PhD,      Date  
Research and Evaluation Institute

\_\_\_\_\_  
Venetia Peacock, M.B.A.      Date  
Head Start Program

\_\_\_\_\_  
Jesus J. Amezcua, Ph.D.      Date  
Assistant Superintendent for Business Services

# HCDE PUBLIC FACILITY CORPORATION

## Monthly Investment Report at February 28, 2019 (unaudited)

### Table of Contents

DESCRIPTION	SCHEDULE NO.
Compliance Statement .....	1
<b>Public Facility Corporation:</b>	
<i>Pie Chart:</i> <u>Portfolio by Investment Type</u> .....	2
<i>Graph:</i> <u>Portfolio by Maturity Dates</u> .....	3
<i>Schedule:</i> <u>Monthly Inventory Report</u> .....	4
Bank Accounts .....	5
Monthly Investment Reports: .....	6
(1) Interest Earned by Fund by Source-For This Quarter	
(2) Interest Earned by Fund-Comparison of Quarters during FY 2018-19	
(3) Budget Summary for Interest Earned Year-to-Date	
Glossary of Terms .....	7
 Detail Account Statements available for review:	
Lone Star Investment Pool Monthly Report	
TexPool Participant Monthly Statement	
Tex STAR Monthly Statement of Accounts	
Chase Bank-Sweep Account Monthly Statements	
Chase Bank-Investment Safekeeping Account Monthly Statements	
PFC – Bank of Texas Fund Monthly Statements	

**HCDE PUBLIC FACILITY CORPORATION**  
**Monthly Investment Report at February 28, 2019**  
**(unaudited)**

**Investment Report Narrative**

**The Department's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act and local Board Policy. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the Department's and the depository bank's agent bank.**

**HCDE funds are currently invested in investment pools and with the depository bank. The investment pools used are: Lone Star, Tex Pool, and TexStar. The depository bank is J.P. Morgan Chase.**

**Changes in balances are caused by additions or withdrawals to these accounts. Tax collection deposits are automatically deposited to the TexStar account.**

**The Public Facility Corporation (PFC) funds are invested with Bank of Texas, Tex Pools and J. P. Morgan Chase. These funds are reserved as required by the bond covenant.**

**All funds are properly collateralized according the PFIA (Public Funds Investment Act).**

**All funds are invested overnight to capture rising interest rates**

**Book Value = Market Value. Book value refers to the financial institution statement which is reconciled to the general ledger.**

**Moving Forward**

**The department will continue to monitor its investments and find best value to capture additional interest earnings while preserving the capital in accordance with our adopted investment strategy.**

**HCDE PUBLIC FACILITY CORPORATION**  
**Monthly Investment Report at February 28, 2019**  
**(unaudited)**

Schedule 1

**Compliance Statement**

In accordance with Texas Government Code, Section 2256, Public Funds Investment Act, HCDE has adopted written investment policy, CDA (LEGAL) and CDA (LOCAL) Other Revenues: Investments requiring the investment officers to prepare and submit a written report of investment transactions for the preceding reporting period to the Board of Trustees. The report must be prepared at least on a Monthly basis and must:

- Describe in detail the investment position of HCDE on the date of the report.
- Contain a summary statement of each pooled fund group including beginning market value for the reporting period; additions and changes to the market value during the period and ending market value for the period.
- State the book value and market value of each invested asset at the beginning and end of the reporting period by type of asset and fund type invested.
- State the account, fund or pooled fund group for which each asset was acquired.
- State compliance of the investment portfolio with the HCDE investment policy and investment strategies and with state law.

HCDE is in compliance with the Public Funds Investment Act. All investments purchased must meet the three basic tenets included in the investment policy: safety, liquidity, and yield.

The day-to-day cash management and HCDE investments are the responsibility of the Asst. Superintendent, Chief Accounting Officer, Budget & Business Analyst, and the Senior Accountant.

As the approved investment officer of HCDE PUBLIC FACILITY CORPORATION, I hereby certify that the preceding Investment Report represents the investment position of the Department as of the date above in compliance with the Board-approved Investment Policy, the Public Funds Investment Act, and generally accepted accounting principles.

Jesus J. Amezcua, RTSBA, CPA, Ph.D., Asst. Supt-Business\_\_\_\_\_

Rosa Maria Torres, RTSBA Chief Accounting Officer\_\_\_\_\_

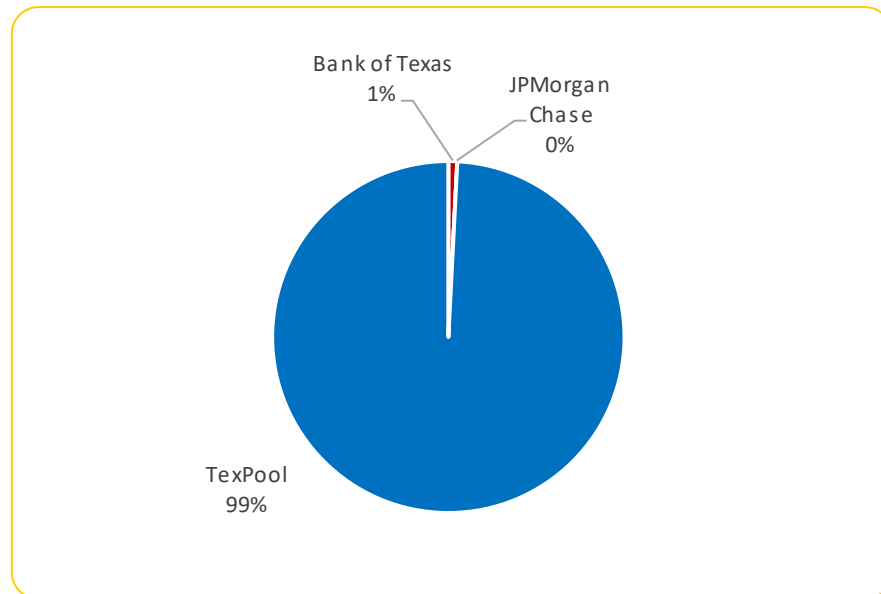
Stephanie Ritchie, Senior Accountant \_\_\_\_\_

Jaime H Martinez, MBA, Budget & Business Analyst\_\_\_\_\_



**HCDE PUBLIC FACILITY CORPORATION**  
**Monthly Investment Report at February 28, 2019**  
(unaudited)

**\$10,711,368 PFC - Portfolio by Investment Type**



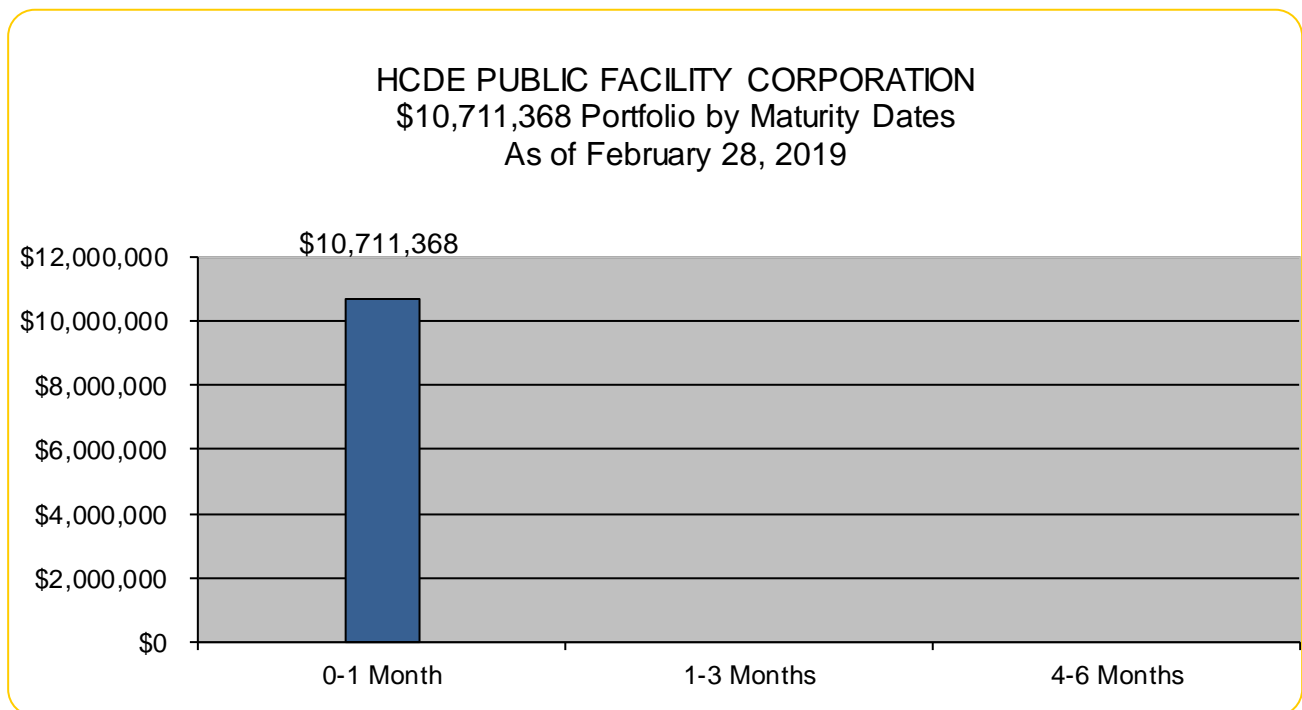
PFC	INVESTMENT	AMOUNT	% OF TOTAL
TYPE		INVESTED	
Bank of Texas Funds		87,216	0.81%
Bank Money Market Fund Sweep		-	0.00%
TexPool Investment Pools		10,624,153	99.19%
<b>Total</b>		<b>10,711,368</b>	<b>100%</b>

**HCDE PUBLIC FACILITY CORPORATION**  
**Monthly Investment Report at February 28, 2019**  
**(unaudited)**

**PFC-Portfolio by Maturity Dates**

Investments are purchased to meet the cash flow needs of the PFC. The bar graph on this page depicts the maturity schedule of PFC investments by monthly intervals. As of the end of this quarter, investments will mature:

- 100 % within one month.





**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
**Public Facility Corporation Monthly Inventory Report**  
**As of February 28, 2019**  
**(unaudited)**

PURCHASE DATE	INVESTMENT	ACCOUNT/ CUSIP #	MATURITY DATE	YIELD	INTEREST PAID	ACCRUED INT EARNED	1/31/2019		2/28/2019	
							MARKET	BOOK	MARKET	BOOK
<b>Bank Funds</b>										
-	Bank of Texas Accounts	All Funds	-	0.005%	\$168.22	-	\$2,427,735.93	\$2,427,735.93	\$87,215.55	\$87,215.55
-	JPMorgan Chase	All Funds		0.000%	-	-	\$0.00	\$0.00	\$0.00	\$0.00
<b>Investment Pools</b>										
-	TexPool	2016 Series	N/A	2.40%	19,504.00	-	10,611,298.88	10,611,298.88	10,624,152.88	10,624,152.88
<b>Totals:</b>					<b>\$19,672.22</b>	<b>-</b>	<b>\$13,039,034.81</b>	<b>\$13,039,034.81</b>	<b>\$10,711,368.43</b>	<b>\$10,711,368.43</b>

**HCDE PUBLIC FACILITY CORPORATION**  
**Monthly Investment Report at February 28, 2019**  
**(unaudited)**

**Bank Accounts**

The fund invests in high quality, short-term money market instruments, which are issued and payable in U.S. dollars.

The following is a list of all Bank of Texas Accounts and their balances:

2014 Payment Account	\$	1,914.76
2014 Redemption Account		54.09
2015 Payment Account		30,542.87
2015 Redemption Account		22.16
2016 Payment Account –		391.33
2016 Payment Account – Redemption		12.27
2016 Project Account – Note 1		<u>54,278.07</u>
Total Bank of Texas Accounts:	\$	87,215.55

The following is a list of all TexPool Accounts and their balances:

2016 Series Bond New School Project	\$10,624,152.88
-------------------------------------	-----------------

The following is a list of all JP Morgan Chase Accounts and its balance:

PFC Overflow Account	\$ <u>0.00</u>
Total Bank Accounts:	<u><u>\$10,711,368.43</u></u>

Note 1:

The bank statement for this account, for the current month, was not available. The interest will be booked next month. The estimated difference is approx. \$70.00



**HCDE PUBLIC FACILITY CORPORATION**  
**Monthly Investment Report at February 28, 2019**  
**(unaudited)**

**Investment Earnings Reports**

**(A) Interest Earned by Source - For This Month**

INVESTMENT TYPE	INTEREST EARNED	TOTAL
Bank Cash Accounts	\$ -	\$ -
Bank of Texas Funds	\$ 168	\$ 168
TexPool Investment Pools	\$ 19,504	\$ 19,504
<b>Totals</b>	<b>\$ 19,672</b>	<b>\$ 19,672</b>

**(B) Interest Earned-Comparison of Quarters for FY 2018-19**

FUND	FIRST QUARTER SEPTEMBER TO NOVEMBER	SECOND QUARTER DECEMBER TO FEBRUARY	THIRD QUARTER MARCH TO MAY	FOURTH QUARTER JUNE TO AUGUST	INTEREST EARNED YEAR TO DATE
PFC Fund	56,356	61,909	-	-	118,265
<b>Totals</b>	<b>56,356</b>	<b>61,909</b>	<b>-</b>	<b>-</b>	<b>118,265</b>

**(C) Budget v Actual Summary of Interest Earned Year-to-Date**

FUND	BUDGETED	ACTUAL	BALANCE TO REC	% REC'D
Public Facilities Corporation (PFC)	-	118,265	(118,265)	0%
<b>Totals:</b>	<b>\$ -</b>	<b>\$ 118,265</b>	<b>\$ (118,265)</b>	<b>0%</b>

# HCDE PUBLIC FACILITY CORPORATION

## Monthly Investment Report

### Glossary of Investment Terms

<b>Accretion</b>	The daily book value earned daily (on a straight-line basis) on securities purchased at a discount. At maturity, a discount security will be worth the face value. The types of securities involved are usually treasury bills, discount notes, commercial paper, and bankers' acceptances.
<b>Amortization</b>	The daily book value earned daily (on a straight-line basis) on securities purchased at a premium. To correctly account for premium amortization, it must be subtracted from the coupon interest either monthly or at maturity.
<b>Bank of Texas Funds</b>	Bank of Texas are unsecured money market accounts where the Public Facilities Corporation funds are kept unless otherwise invested.
<b>Benchmark for Investments</b>	HCDE uses the 13-week (90 day) Treasury Bill investment rate of the maturity date closest to the end of the month- <a href="http://www.treasurydirect.gov">www.treasurydirect.gov</a> .
<b>Book Value</b>	The face amount minus any unaccredited discount or plus any unamortized premium. See Accretion and Amortization.
<b>Cash</b>	Cash includes readily available cash, current bank accounts and certificates of deposit. Cash is considered to be the most liquid asset.
<b>Commercial Paper</b>	An unsecured promissory note issued by a corporation with a fixed maturity. The issuer (such as Coca Cola, General Electric, Kimberly Clark) promises to pay the buyer a fixed amount on some future date but pledges no assets, only his liquidity and established earning power, to guarantee that promise. These investment instruments usually yield 10-15 basis points above comparative agency investments. HCDE will not invest in commercial paper with less than A1 or P1 or an equivalent rating.
<b>Credit Risk</b>	The risk of issuer failure; mitigated by selecting high quality investment vehicles.
<b>CUSIP #</b>	The <b>C</b> ommittee on <b>U</b> niform <b>S</b> ecurities <b>I</b> dentification <b>P</b> rocedures Number: the identification number on all securities (often nine digits in length).
<b>Diversification</b>	To invest in a variety of different Board-authorized investment types (sector): treasuries, agencies, certificates of deposit, commercial paper, investment pools, and money market funds.

<b>Face Value</b>	Redemption value printed on the face of the certificate; same as par value.
<b>FHLB</b>	<u>F</u> ederal <u>H</u> ome <u>L</u> oan <u>B</u> ank System, established in 1932, includes 12 banks and their member institutions. Federal Home Loan Banks are instrumentalities of the United State government.
<b>FHLMC</b>	<u>F</u> ederal <u>H</u> ome <u>L</u> oan <u>M</u> ortgage <u>C</u> orporation < <b>Freddie Mac</b> > is a stockholder-owned corporation chartered by Congress in 1970 to keep money flowing to mortgage lenders in support of homeownership and rental housing.
<b>FICO</b>	<b>F</b> inancial <b>C</b> orporation was set up to fund the bailout of Savings and Loans in the 1980's. It was an offshoot of the <b>F</b> ederal <b>S</b> avings and <b>L</b> oan <b>I</b> nsurance <b>C</b> orporation (FSLIC).
<b>Fiduciary Responsibility</b>	The Board retains the ultimate responsibility as fiduciaries of the assets of the Department. Also see Standard of Care.
<b>FNMA</b>	<u>F</u> ederal <u>N</u> ational <u>M</u> ortgage <u>A</u> ssociation < <b>Fannie Mae</b> > is a federally Chartered and stockholder owned corporation. It is the largest investor in home mortgages in the United States. FNMA provides funds to the mortgage market by purchasing mortgages.
<b>Investment Pool</b>	An entity created under government code to invest public funds jointly on behalf of entities participating in the pool and whose investment objectives, in order of priority, are: preservation and safety of principal; liquidity; and yield.
<b>Interest Rate Risk</b>	The uncertainty that the value of the instrument may fluctuate in value in response to changes in interest rates; mitigated by holding the instrument whenever possible to maturity.
<b>Investments</b>	Securities and other assets acquired primarily for the purpose of obtaining income or profit.
<b>Lone Star Investment Pool</b>	The Lone Star Investment Pool (LSIP) is a public funds investment pool administered by First Public, LLC.
<b>Liquidity</b>	Degree of availability of an asset; ease of converting the asset to cash.

<b>Liquidity Risk</b>	The risk that the investment may not be sold immediately-before it matures- at its market value.
<b>Market Value</b>	Value of an agency security if you were to sell that security on a given date. Market value changes daily, and normally increases as the maturity date of the security instrument approaches.
<b>Market Risk</b>	The risk that market prices will fall and threaten liquidity.
<b>Maturity Date</b>	The date the principal amount of a security becomes due and payable
<b>Par Value</b>	Redemption value printed on the face of the certificate. Par value = face value; and the par value of a security is different than its market value.
<b>Portfolio Risk</b>	The risk that remains after taking into account the risk-reducing effects of combining securities into a portfolio that efficiently balances its risks with its rate of return.
<b>Purchase Date</b>	The date of the initial purchase of the financial investment.
<b>Risks</b>	[Definitions can be found under individual listings.] Types of risk include: <ul style="list-style-type: none"> <li>• Credit risk</li> <li>• Interest rate risk</li> <li>• Liquidity risk</li> <li>• Market risk</li> <li>• Portfolio risk</li> <li>• Volatility risk</li> </ul>
<b>Safety of Principal</b>	The primary concern and responsibility of the Department's Board and investment officers is the preservation of assets. Cash is invested with the objective of the probable income to be derived, but, more importantly, the safety of the original capital.
<b>Sold Date</b>	The date the financial instrument is sold prior to the maturity date.
<b>Standard of Care</b>	In the administration of the duties of an investment officer, the designated investment officer(s) shall exercise the judgment and care, under prevailing circumstances that a person of prudence, discretion, and intelligence would exercise in the management of their own affairs.
<b>Sterling Bank Overnight</b>	Sterling Bank SDIT Government Portfolio Class C, this is an unsecured money market account in which equalization funds in

**Sweep Account** excess of \$350,000 remaining in Sterling Bank checking accounts at the end of the business day and matured securities in our safekeeping account are invested.

**TexPool** The Texas Local Government Investment Pool is a public fund investment pool overseen by the State Comptroller's office and currently managed by Lehman Brothers and Federated Investors.

**Treasury Zero** Treasury bills are short-term obligations issued with a term of one year or less. Treasury Zero bills are sold at a discount from face value and do not pay interest until maturity. Schedule 13 Continued

**U.S. Agency Securities** The federal government has established approximately 20 different agencies and instrumentalities to channel funds to particular sectors of the economy U.S. Agency securities are purchased directly by the department from investment brokerage firms registered to do business with the Department. These securities are issued in the Department's name, cleared through the Federal Reserve Bank system, and held in safekeeping by a third party.

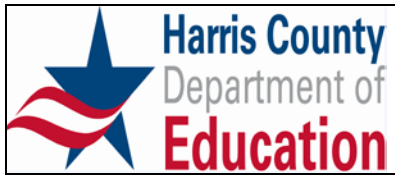
**Volatility Risk** The risk that market prices will move significantly and increase market risk.

**Weighted Average to Maturity (WAM)** The average time it takes for securities in a portfolio to mature, weighted in proportion to the dollar amount that is invested in the portfolio. Weighted average maturity measures the sensitivity of fixed-income portfolios to interest rate changes. Portfolios with longer WAMs are more sensitive to changes in interest rates because the longer an investment is held, the greater the opportunity for interest rates to move up or down and affect the performance of the investment.

**Wells Fargo Money Market Funds** Wells Fargo Money Market Funds are unsecured money market accounts where the Public Facilities Corporation funds are kept unless otherwise invested.

**Yield-Current** Rate of return on investment as a % of market price including accrued interest.

**Yield to Maturity** The current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



## PROCUREMENT PROCEDURES

HARRIS COUNTY DEPARTMENT OF EDUCATION

Reference:  
[CH \(LEGAL\)](#)

DATE DEVELOPED: 3/16/2006

REVISED DATE: 5/03/2011

SUBJECT: GLOSSARY OF CONTRACT TERMS

TERM	DEFINITION
Amendment	A change, correction or alteration.
Appropriation	An authorization to spend funds.
Assignment	Transfer by one party to a contract of some or all of the rights to another person not a party to the original contract.
Acceptance	Compliance by one party with the terms and conditions of another's offer so that a contract becomes legally binding between them.
Breach of contract	A violation or infraction, as of a law or a promise; to break an agreement.
Consideration	Something of value; money, an act or a promise.
Contract	Legal agreement; mutual understanding between two parties.
Force Majeure	Act of God; an unexpected or uncontrollable event.
Interlocal Contracts or Agreements	HCDE may enter into Interlocal Contracts/Agreements with: <ul style="list-style-type: none"><li>• Other State of Texas Local Governments</li><li>• State of Texas State Agencies</li><li>• ANY State Local Government, and</li><li>• ANY State Agency</li></ul>
Modification	A change in the terms of the contract.
Parties to a Contract	Participants to a contractual arrangement.
Performance Bond	A bond or a cashier check from one party of a contract that is held by the other party to the contract guaranteeing
Public Work Contract	Contract for constructing or altering or repairing a public building or carrying out or completing any public work.
Retainage	The part of the payments under a public works contract that are not required to be paid within the month after the month in which the public work labor is performed or public work material is delivered under the contract.
Severability	To cut off from the whole; dissolvable; able to separate into legally distinct rights or obligations, as a Contract.
Venue	The locality where a cause of action occurs.
Warranty	The insured's guarantee that the acts are as stated in reference to an insurance risk or that specified conditions will be fulfilled to keep the contract effective.

## **Procurement Card**

The Procurement Card Administrator is responsible for ensuring that all p-card transactions are accounted for and in compliance with all state, local and federal regulations.



# Procurement Card Program Manual

**PREPARED BY: PURCHASING DIVISION**





Page Intentionally Left Blank



## Preface

---

July 26, 2018

A message from the Superintendent:

Harris County Department of Education has oversight over public funds for the advancement of education in Harris County. We are accountable for the appropriate use of these funds. We are all required to ensure that we adhere to the internal controls established, and utilize sound business practices for the management of public funds. We are task with an awesome responsibility and must be accountable to our taxpayers.

Attached is a P-Card manual that has been developed to guide you and meet our fiduciary obligations. Please take time to read it and implement administrative measures to comply with the manual requirements.

Our purchasing staff is ready to work with you and provide training as necessary. If you have any questions, please contact Dr. Jesus Amezcua or a member of the purchasing team.

Sincerely,

James Colbert, Jr.  
County School Superintendent

## **TABLE OF CONTENTS**

1.0	Overview .....	1
2.0	Introduction to the Procurement Card Program .....	1
3.0	Who Can Obtain a P-Card? .....	1
4.0	How Do I Obtain a P-Card and Keep It? .....	1
5.0	Spending Limits .....	2
6.0	Acceptable Purchases .....	3
7.0	Unacceptable Purchases .....	4
8.0	How to Make Purchases with Your P-Card .....	6
9.0	Resolving Disputes .....	8
10.0	Reconciliation of Monthly Expense Reports and Billing Statements .....	9
11.0	Departmental Roles/Duties within the P-Card Program .....	10
12.0	Compliance Administration, Reviews and Violations .....	13
13.0	Violations, Fraud, Waste and Abuse .....	14

### **Attachments**

A	New P-Card Request Packet .....	19
B	P-Card Receipt and Acknowledgement Form .....	22
C	P-Card Maintenance Form .....	23
D	P-Card Reporting Form .....	24
E	Texas Sales and Use Tax Exemption Certification .....	26
F	P-Card Missing Receipt Affidavit .....	28
G	P-Card Monthly Reconciliation Checklist .....	29
H	Airfare Quote Form .....	30
I	MasterCard Termination Affidavit .....	31
J	Notification of Violation Memo .....	32
K	P-Card Facilitator Form .....	33
L	P-Card Facilitator Agreement .....	34
M	Retirement Celebration/Years of Service Authorization Form .....	35

## **1.0     Overview**

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

## **2.0     Introduction to the Procurement Card Program**

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

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

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

## **3.0     Who Can Obtain a P-Card?**

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

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

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

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

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

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

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

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

#### **4.2 Complete P-Card Training**

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

#### **4.3 Sign the P-Card Receipt and Acknowledgement Form**

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

By signing this form, the Cardholder acknowledges:

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

#### **4.4 Complete Refresher Training**

P-Card “refresher” training will be required every two (2) years or as required by the Purchasing Division. The Cardholder, Executive Team Member, Approving Official, and those individuals holding Facilitator roles will be required to complete a refresher training course in order to maintain P-Card privileges. Failure to complete training within thirty (30) days of notice will result in suspension of P-Card privileges until such time as the training has been successfully completed. Instructions for completion of the refresher training will be provided by the Purchasing Division to the individuals holding the various P-Card roles.

### **5.0 Spending Limits**

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

#### **5.1 P-Card Controls**

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

## **5.2 Cardholder Spending Limits**

The available limits on a P-Card include:

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

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

The Department's maximum limit on P-Card purchases is \$2,499 per transaction.

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

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

## **5.3 Merchant Activity Type Limits**

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

## **6.0 Acceptable Purchases (Things I Can Buy)**

All purchases made with the P-Card must be for official HCDE business and must NEVER be used for personal purchases (intentional or unintentional), regardless of the circumstance. The P-Card may be used to purchase supplies and materials, non-inventoried equipment, and various services valued at \$2,499 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:**

- Airfare
- Travel and Lodging
- Car Rentals
- Registration Fees
- Workshop Materials; including books, tapes and CD's
- Business Meals- (not in addition to per diem)
  - An agenda must be attached to the documentation (i.e. Rotary Meetings)
- E-Commerce (ordering from electronic vendors) up to a maximum of \$2,499
  - (i.e. apps, ppt templates, etc.) (Note: no sales tax allowed)
- Promotional Items. Promotional items are those items that bear the HCDE/Division logo and is used for promotional purposes
- Fuel for equipment such as mowers or shop equipment
- Fuel as part of rental vehicle contract
- Payment of convention booth fees (i.e. TASB, TASBO) up to \$2,500

- Flower arrangements for events (i.e. graduations, general in-service) up to \$500
- Plan or permit fees to a city or a county (i.e. COH or Harris County) up to \$2,499
- Review fees for documents sent to GFOA, TASBO, ASBO or other association
- Permit or license fees (i.e. CPA, Engineer, etc.)
- Memberships to associations (i.e. TASA TASB, GFOA, ASBO, TSCPA, AICPA, Rotary, or other professional organization up to \$2,499 per transaction
- Excess luggage/baggage payment traveling by airplane – for presentation brochures or other booth materials up to \$500
- Valet parking is allowed when unloading materials at conference sites/hotels and-or is a safety matter for the HCDE employee not to exceed \$50 per day
- Payment of utilities through the Accounts Payable Office for emergency situations or as approved by Asst. Supt for Business. (utilities such as water, electricity, cable, or gas)
- Authorized transactions by Asst. Supt for Business in order to pay an HCDE debt which requires expediency and within the allowed budget and CH Local.
- Purchases from Vendors for the following categories:
  - Office or General Supplies up to a maximum of \$750
  - Catering Services for business functions up to \$2,499
  - Technology Items – See “Allowed Technology Items Purchases” below
  - Purchase of parts up to a maximum of \$2,499 (must include part # for a vehicle or building location)

## 6.1 Technology Items

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

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

**Purchases of any and all technology-related items not listed above require either the approval and/or assistance of Technology Support Services staff.**

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

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

## **7.0 Unacceptable Purchases and Practices**

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

- Any purchase that exceeds \$2,499 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
- E-Bay
- Escort Services
- Escrow Accounts
- Furrier and Fur Shops
- Gasoline for personal motor vehicles
- Gift Cards of any kind, for any reason (including gift certificates, stored value cards, calling cards, pre-paid cards, or similar products and other equivalent forms of cash)
- Goods or Services for personal use
- Groupon purchases
- International purchases
- Jewelry stores
- Leases or other contractual agreements regardless of the cost
- Maintenance/Service Agreements (that require a signed contract)
- Massage Parlors
- Merit Awards/Student gifts in the excess of \$50.00
- Money Orders or Convenience Checks
- Office Furniture over \$50



- Outstanding invoices against active purchase orders
- Pawn shop purchases
- Personal services (hair salon, doctor visits, hospitalization, etc.)
- Special occasion items for personnel or personal use (flowers, fruit baskets, candy, balloons, etc.)
- Sponsorships. Sponsorship is defined as offering financial assistance, support, patronage or funding to an entity or person
- Wire transfers
- Any purchase prohibited by another HCDE policy

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

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

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

Splitting orders/transactions or making sequential purchases with the Department P-Card is prohibited. Ensure that individual transaction limits are never exceeded. Transaction splitting is the practice of committing multiple P-Card transactions to circumvent the Cardholder's one-time transaction limit, bypass HCDE competitive bidding requirements, or avoid the card's monthly card limit. Sequential purchases mean purchases, made over a period, of items that in normal purchasing practices would be purchased in one transaction.

### **B. Single Purchases of \$2,500 or More**

The P-Card is intended for small dollar transactions. Single purchases of \$2,500 or more are required to be done via a purchase order. Exceptions may be made with prior written approval from the Assistant Superintendent for Business Services.

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

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

### **D. Limitations on Vendors That Can Be Used**

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

### **E. P-Card Sharing**

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

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

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

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

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

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

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

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

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

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

#### **H. Reimbursing Unauthorized Charges**

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

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

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

## **8.0     How to Make Purchases with Your P-Card**

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

### **8.1     Approval Procedure**

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

### **8.2     Provide Vendor with Request/Required Card Information**

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

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

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

### **8.3     Tax Exempt Status**

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

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

### **8.4     Shipping Instructions**

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

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

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

### **8.5     Maintain Transaction Log (Recommended)**

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

- Purchase made by the cardholder

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

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

### **8.6 Ensure Adequate Documentation is Obtained and Exists**

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

### **8.7 Security**

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

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

JP Morgan Chase and report those findings to the P-Card Administrator in regard to the fraudulent charges.

## **8.8 Obtain Best Value**

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

## **9.0 Resolve Disputes**

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

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

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

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

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

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

Step 1: Compile the monthly reconciliation package. This "package", which consists of all original documentation, including receipts, credits, records of disputed transactions and other supporting documentation must be reconciled and attached to the Monthly Expense Report. Departments may use the suggested Monthly Reconciliation Checklist (Attachment G) to assist in completing the monthly reconciliation.

- Step 2: The Cardholder must review the reconciliation package and sign and date the monthly expense report to indicate that a review of the reconciliation package has been conducted. Cardholder must ensure that funds are available on the account where the expense is being coded. If no funds are available, a budget transfer must be initiated to cover these expenses. The reconciliation package should be submitted to the Approving Official or Facilitator in a timely manner so that the package can be reviewed and approved by the Approving Official.
- Step 3: A propriety review of each Cardholder's transactions must occur to ensure that the purchase was reasonable, appropriate and necessary while also in compliance with P-Card rules and regulations. This review may be completed by a Facilitator or the Approving Official; however, the Approving Official is responsible for ensuring that a propriety review has been conducted. The individual conducting the propriety review must sign the monthly expense report package to indicate that the propriety review has been performed.
- Step 4: The Approving Official must review the reconciled expense report package on a monthly basis. This review must be evidenced by a signature of the Approving Official on the JPMorgan Chase SmartData Expense Report for the assigned cardholder.
- Step 5: The Facilitator must send the signed expense report package to the Procurement Card Specialist and retain a copy for their records. The P-Card Specialist reconciles the expense reports to the monthly billing statements and ensures that all purchases were conducted in accordance to P-Card guidelines.

#### **11.0 Departmental Roles/Duties within the P-Card Program**

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

##### **Cardholder**

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

##### **Mandatory Duties:**

- Attend initial training prior to receipt of a new P-Card
- Complete refresher training every two (2) years or as often as directed by the Procurement Office
- Sign the Conflict of Interest Disclosure Forms (Fraud)
- Record each transaction on a transaction log as the purchase (or credit) occurs – *this is a recommended practice and not mandatory*
- Provide adequate documentation for each transaction for inclusion with the monthly expense report. Submit documentation to the Approving Official or Facilitator for inclusion in the reconciled monthly expense report.
- Sign and date the monthly reconciled expense report and assure that funding is available when posting the transaction to the general ledger.
- If a personal charge has accidentally been made on the P-Card, the item must immediately be paid in full by personal check made payable to the Harris County Department of Education from the Cardholder. (See Section 7.2, Subsection F).

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

### **Executive Team Member**

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

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

### **Mandatory Duties:**

- Complete required training
- Approve and Monitor the Issuance of P-Cards:
  - Approve new P-Card requests via the P-Card Request Form (Attachment A) to establish cardholder single transaction/monthly credit limits and default accounts.
  - Ensure that only permanent (regular) employees whose duties require purchasing card use are issued P-Cards
  - For every P-Card issued, assign an Approving Official who acts in a supervisory capacity to the cardholder.
  - Assign individuals to act as Facilitators, as needed, to perform various other mandatory duties (multiple Facilitators may be assigned)
  - Periodically assess the continuing business need for each card issued within the department at least annually
  - Re-evaluate transaction and spending limits periodically
  - Approve Cardholder profile change requests as needed using the P-Card Maintenance Form (Attachment C). This form addresses changes to the single transaction limit, monthly credit limit, role assignment changes and other changes.
  - 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:
  - Assign a knowledgeable individual acting in a supervisory capacity (usually the Division Director/Budget Manager) to the cardholder as the Approving Official for each card. Sufficient internal controls must be established and implemented to ensure that this knowledgeable individual review the monthly expense report package, including receipts and other supporting documentation for approval in a timely manner during regularly scheduled billing cycles.
- Establish and Maintain Internal Controls as specified in Policy CAA (Local) – Fiscal Management Goals and Objectives – Financial Ethics.

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

The Executive Team Member must assign a knowledgeable individual acting in a supervisory capacity (to the Cardholder) as the Approving Official. Once this role is assigned, the duties of this position may not

be delegated. Note: The Approving Official may also be the Executive Team Member and may perform other mandatory functions associated with P-Cards.

### **Mandatory Duties:**

- Attend initial training prior to assuming the role of Approving Official
- Complete refresher training every two (2) years or as often as directed by the Procurement Office
- Review the P-Card purchases of assigned Cardholders on at least a monthly basis to verify that all transactions were properly authorized and that a propriety review was conducted to ensure that charges were appropriate and directly related to HCDE business as well as sufficiently supported with documentation that describes the nature and purpose of each transaction. Evidence that a propriety statement with a signature or with comments added in SmartData.
- Sufficient documentation and description generally means that an external reviewer, with access only to the statement and supporting documentation, could identify the following:
  - Detailed list of items(s) purchased
  - Intended business use of items purchased
  - Date and amount of the purchase
  - Vendor Name
- Ensure that the Cardholder has signed and dated the monthly expense report.
- Sign the monthly expense report to show evidence that a reconciliation and review of transactions has been completed. Ensure that the supporting documentation which includes receipts, invoices, and dispute forms are attached to the signed expense report.
- Identify any policy violations and discuss with the Cardholder to provide additional instruction. If a violation occurs (even if unintentional or if a credit was received), Approving Officials must report the situation in writing using the P-Card Reporting Form (Attachment D). Please forward a copy to the Executive Team Member.
- If the Cardholder is no longer employed at HCDE or has transferred to a new department, the Approving Official is responsible for ensuring that:
  1. The P-Card has been cancelled immediately, cut-up and returned to the P-Card Administrators in Procurement
  2. All transactions have been entered in SmartData
  3. Adequate documentation exists for each transaction
- Notify the P-Card Administrator immediately upon change in cardholder's employment status including:
  - Change of Department
  - Change of Position, Role or Title
  - Leaves of Absence
  - Termination, resignation or retirement – The Approving Official must notify the P-Card Administrator immediately so that the card can be deactivated promptly

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

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

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

The following duties/functions listed below may be performed by individual's other than the Cardholder, Approving Official or Executive Team Member. If someone other than an individual holding one of the three mandatory roles is completing these duties, this person is considered to be performing the role of a



**“Facilitator”** and must be assigned by the Executive Team Member (See Attachments K and L for Facilitator forms). Facilitators must also receive the same training as Cardholders.

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

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

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

## **12.0 Compliance: Administration, Reviews and Violations**

### **12.1 Program Administration**

The Procurement Office is responsible for the overall administration of the P-Card program. Administrative roles within the P-Card program include the Procurement Director and P-Card Administrator, the P-Card Specialist within the Procurement Department, and the Assistant Superintendent for Business Services in the Business Services Division. Please refer to the table in Appendix A for a list of the responsibilities and duties assigned for each P-Card Administrative role.

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

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

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

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

## **13.0 Violations, Fraud, Waste and Abuse**

### **13.1 Violations and Written Notices**

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

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

#### **Minor Violations**

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

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

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

#### **Major Violations**

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

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

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

### **13.2 Detection and Prevention of Fraud**

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

- a. uses a purchasing card for personal gain;

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

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

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

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

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

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

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

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

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

##### **14.1 Receipts**

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

##### **14.2 Lost Receipts**

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

##### **14.3 Travel Expenses (6411 – 6414)**

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

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

**Airfare** – HCDE is not exempt from paying airfare taxes. The HCDE Airfare Quote Form (see Attachment H) should be completed by the Cardholder to ensure that HCDE is getting the best value when flying. Three (3) quotes must be procured from any airline company that accepts MasterCard as a form of payment. The form and airline quotes must accompany the airfare receipt when submitting the monthly expense report.

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

The p-card may be used to pay for baggage fees; however, Accounts Payable will only reimburse the cardholder for the first checked bag if a fee is assessed. Any additional baggage or overweight baggage fees will be the responsibility of the traveler and HCDE will have to be reimbursed by the traveler.

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

Valet parking is allowed under certain circumstances:

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

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

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

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

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

A request to attend must be prepared for the non HCDE employees due to a grant, and the P card user will be held liable for any misappropriation or misuse by the non HCDE employee. The name of the non HCDE employee must be listed on the request to attend and may not be substituted. Furthermore, a copy of the grant or contract allowing or requiring the travel must be attached.

#### 14.4 Business Meals

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

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

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

*Tips for Meals:*

For the purpose of business meetings, HCDE allows up to a maximum of **15% of the meal expense as a gratuity to the waitperson for excellent service.** Gratuities established by a restaurant for parties over a certain number of persons are allowable and will be reimbursed in full providing that the request for reimbursement accompany documents and or receipts that substantiates (time, date, purpose and a list of the attendees) the business meeting. For example, if an establishment accesses an 18-25% gratuity (usually for larger parties) the employee will be reimbursed for the total of the bill.

#### Catering & Delivery

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

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

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

*Tips for Catering/Food Delivery:*

The delivery fee for food often covers the expenses for delivery such as vehicle fuel and use, insurance expense and ‘to go’ supplies (containers, etc.) and not a gratuity for the delivery person. HCDE allows a maximum of **10% of the food** total to be paid for catering/food delivery expenses. For example,

Invoice total:       \$ 75.00

LESS Delivery fee:   - 10.00

Food Total:           \$ 65.00

Maximum allowable tip:   \$ 6.50

### **Retirement Celebration**

Employees retiring from Harris County Department of Education (HCDE) may be honored with a reception. The Human Resources Division allocates \$200.00 for the purpose of purchasing refreshments for the reception and a small bouquet of flowers. Gifts for the retiree may not be purchased using the P-Card. The Department has pre-selected gifts allotted for retirees (See HCDE Retiree's Gift Brochure) available through the Human Resources division. The Department does not sponsor private (division only) receptions.

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

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

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

### **Years of Service Recognition Celebration**

Employees with 20, 25 and 30 years of service will be honored by recognizing their service with a reception. The Human Resources Division allocates \$100.00 for the purpose of purchasing refreshments for the reception. Gifts for years of service recognition may not be purchased using the P-Card. A plaque will be purchased by the Human Resources Division and provided to the Division Director for presentation to the recognized employee. The Department does not sponsor private (division only) receptions.

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

- Letter/Memo from the Human Resources Division stating that the employee was employed with HCDE for the required years (i.e. 20, 25 or 30 years)
- P-Card Authorization Form for Retirement Celebration/ Years of Service Recognition approved by the Human Resources Executive Director
- Original itemized receipts
- JP Morgan Chase Smart Data Expense Report with signatures from both the P-Card Approving Official and the Human Resources Executive Director

The following object code should be used when entering the transaction into JP Morgan Chase Smart Data: **64160025 Retirement/Years of Service Receptions**. The description should identify the Name of the Recognized Employee- Years of Service Reception.

### **14.5 Split Purchases**

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

## 14.6 Budget Codes

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

## 14.7 Finalizing the Expense Report Package

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

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

1. Immediately following the end of the billing cycle, a Smart Data report should be ran for the FULL billing cycle.
2. Place all supporting documentation in the order that it appears on the Expense Report
3. All documentation is fed through an imaging scanner; therefore:
  - a. RECEIPTS SHOULD NOT BE ATTACHED WITH STAPLES OR PAPER CLIPS.
  - b. Receipts smaller than 8 ½” by 11” should be taped **securely** to a sheet of paper.
  - c. All receipts should lay flat on the paper.
4. DO NOT write on the reverse side of a receipt.
5. Ensure that all backup documentation is attached for travel-related and meal expenses as described in this section
6. Cardholders and supervisor must each sign and date the **Monthly Expense Report**.
7. Place all supporting documentation into an inter-office envelope, send to Internal Purchasing  
Attn: Quality Assurance Specialist.

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

Page Intentionally Left Blank



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

**Employee Procurement Card Agreement**

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

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

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

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

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

## HARRIS COUNTY DEPARTMENT OF EDUCATION P-CARD PROGRAM

### P-Card Request Form

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

#### Employee Information

Cardholder Full Name: \_\_\_\_\_ Employee ID: \_\_\_\_\_

Cardholder Title: \_\_\_\_\_

Department Name: \_\_\_\_\_ Dept. # \_\_\_\_\_

Cardholder Email: \_\_\_\_\_ Work Phone: \_\_\_\_\_

Select the Cardholder P-Card classification:

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

Facilitator who will be reconciling the monthly expense reports; if other than Cardholder:

Name: \_\_\_\_\_ Email: \_\_\_\_\_ Ext. \_\_\_\_\_

*Note: Facilitators are required to have a P-Card Facilitator Agreement on file with the Purchasing Division.*

Send complete package to Purchasing Division, Attention: P-Card Administrator

#### For Purchasing Use Only:

Date sent for approval by Assistant Superintendent of Business Services: \_\_\_\_\_ Approved: ☐ Yes ☐ No

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

If "No", reason for denying: \_\_\_\_\_

Date Complete Package Received: \_\_\_\_\_ ☐ JPMorgan Application ☐ P-Card Agreement ☐ Facilitator Request Form

Approval/Signatures Obtained: ☐ Approving Official (Budget Manager/Director): \_\_\_\_\_

☐ Department Head (Exec. Team Member): \_\_\_\_\_

Date Application Sent to JPMorgan Chase: \_\_\_\_\_ Date Card Received in Purchasing: \_\_\_\_\_

Date Training was Completed: \_\_\_\_\_ Date P-Card Released to Employee: \_\_\_\_\_



U.S. Commercial Card Application

Attachment - A

COMPANY / ORGANIZATION INFORMATION

Company / Organization Name\* Bank Number\* Company Number\* Agent Number\* (card design code)

APPLICANT SECTION\* - \* indicates a required field

Account Holder Type\*: ☐ Individual ☐ Department (if card issued to department please skip 1 and 6)

1 APPLICANT INFORMATION 2 ACCOUNT SECURITY

Full First Name\* Middle Initial Last Name\* Access Code 1\* (any 4 digit number) Date of Birth\* (mm/dd/yyyy) Employee ID Access Code 2\* (any 4 alpha/numeric characters)

3 NAME AS IT WILL APPEAR ON CARD 4 ACCOUNT CONTACT INFORMATION

Name as it will appear on Card\* (21 character limit - including spaces) Business email address\* Second line to appear on Card (21 character limit - including spaces) e.g. Company Name/Other, etc. Business phone number\* Mobile phone number\*

5 ACCOUNT MAILING ADDRESS 6 HOME ADDRESS

Mailing Street Address\* Home Street Address\* Mailing Street Address Line 2 (if applicable) Home Street Address Line 2 (if applicable) City\* City\* State\* Zip Code\* State\* Zip Code\*

ADMINISTRATOR SECTION - \* indicates a required field

7 ACCOUNT SPEND LIMITS/CONTROLS 8 MERCHANT CATEGORY CODE GROUP SPEND LIMITS

\$ Spend Limit\* Cycle Transaction Limit \$ Single Amount Limit Daily Amount Limit \$ Daily Transaction Limit Cash Advance Limit

MERCHANT CATEGORY CODE GROUP NAME*	Include (I)/ Exclude(E)*	CYCLE SPEND	CYCLE TRANS #	SINGLE AMOUNT	DAILY AMOUNT	DAILY TRANS #
		\$		\$	\$	
		\$		\$	\$	
		\$		\$	\$	
		\$		\$	\$	
		\$		\$	\$	
		\$		\$	\$	
		\$		\$	\$	
		\$		\$	\$	
		\$		\$	\$	

9 ACCOUNT PARAMETERS - optional

☐ Rush Delivery (fee may apply. No P.O. box) Card Delivery Code - Site ID ☐ Executive Card ☐ Declining Balance Accounting Code Effective Begin Date (mm/dd/yyyy) Effective End Date (mm/dd/yyyy)

10 HIERARCHY - \*\*do not complete unless instructed during program set-up

Level 1 - if applicable\* Level 2\*\* Level 3\*\* Level 4\*\* Level 5\*\* Level 6\*\*

11 ADMINISTRATOR CERTIFICATION - please read and sign

By submitting this request for commercial card issuance to the Bank for the applicant(s) named herein, the undersigned, a duly authorized representative of the Client, does hereby (1) certify that, to the best of Client's knowledge, information and belief, the information in this application and the supporting documentation is accurate, (2) certify that the true identity(ies) of the aforementioned applicant(s) has/have been verified and that the applicant(s) is/are employee(s) or agent(s) of the Client and has/have been duly authorized to apply for and use the Card(s) to incur expenses on behalf of the Client, (3) certify that the applicant(s) named herein have consented to the provision of their information in this Application, and (4) confirm that the applicant(s) has/have consented to the issuance of a Card(s) in their name(s). The Client shall maintain evidence of the applicant's consent to the provision of their information in this Application and the applicant's consent to Card issuance and shall furnish such evidence to the Bank upon request. In this application, the term "Bank" refers to JPMorgan Chase Bank, N.A. and Chase Bank USA, N.A. and their affiliates.

Program Administrator / Approver Name Printed\* X Program Administrator / Approver Signature\* (ELECTRONIC ACCEPTABLE) Date\* Program Administrator (Authorized Signer) Submit Application to: Email: CCS-Account-Services@chase.com Fax: 844-808-8189 US\_CC\_1117

HARRIS COUNTY DEPARTMENT OF EDUCATION  
P-CARD PROGRAM

P-Card Receipt and Acknowledgement Form

By signing this form, you acknowledge the following:

- You’ve received a copy of the P-Card Manual
- You’ve received training regarding all P-Card matters and fully understand all the procedures and regulations outlined in the manual; including procedures for P-Card expenditures, reconciliation of monthly expense reports, what constitutes proper supporting documentation, and consequences for P-Card violations
- You have received your P-Card

Employee Name:		Title:	
Signature:		Date:	

## HARRIS COUNTY DEPARTMENT OF EDUCATION P-CARD PROGRAM

### P-Card Maintenance Form

#### Part 1 – Cardholder Information

Cardholder's name as it appears on card: \_\_\_\_\_

Last four digits of card number: \_\_\_\_\_ Division: \_\_\_\_\_

#### Part 2 – Type of Request

- ☐ Cancel Card (Attach Card) – Employee will ensure that the Monthly Expense Report and receipts will be completed and submitted to the Purchasing Division up to the date of the last transaction.

	<u>Current</u>	<u>Requested</u>
<input type="checkbox"/> Department Change	_____	_____
<input type="checkbox"/> Report Authorize Signature	_____	_____
<input type="checkbox"/> Single Transaction Limit Change	_____	_____
<input type="checkbox"/> Monthly Transaction Limit Change	_____	_____
<input type="checkbox"/> Number of Daily Transactions	_____	_____
<input type="checkbox"/> Cardholder Name Change	_____	_____
<input type="checkbox"/> Other (Specify)	_____	_____

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

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

#### Part 3 – Approval Process

Cardholder Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Approving Official Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Approving Official Printed Name: \_\_\_\_\_

**Please send completed form to the Purchasing Division.**

#### Office Use Only:

Approved by Assistant Superintendent of Business Services (if required): ☐ Yes ☐ No

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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

P-Card Receipt Witness (Required for Cancellation): \_\_\_\_\_

Date Card Received: \_\_\_\_\_

P-Card Administrator Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Entered in System by: \_\_\_\_\_ Date: \_\_\_\_\_

HARRIS COUNTY DEPARTMENT OF EDUCATION  
P-CARD PROGRAM

P-Card Reporting Form

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

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

Reported By: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Cardholder Name: \_\_\_\_\_ Last four digits of card: \_\_\_\_\_

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

1. \*P-Card Misuse:  
*Select the area(s) that apply and refer to page 2 for reporting and documentation requirements:*
- ☐ P-Card used to purchase personal items (intentional or unintentional)
  - ☐ Purchased items on the P-Card not authorized for purchase by the employee
  - ☐ Retained a rebate or refund from a vendor, bank or other financial institution for personal use
  - ☐ Used the P-Card for purchases of \$2,500 or above without written authorization from the Assistant Superintendent for Business Services
  - ☐ Purchased gift cards, alcoholic beverages, tobacco products or personal items
  - ☐ Any person, including a Supervisor/Budget Manager who knowingly, intentionally, willfully, wantonly, or recklessly allowed or conspired with the cardholder on any of the actions noted above

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

Comments:

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

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

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

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

## P-Card Reporting Form Instructions

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

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

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

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

### Note:

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

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

**HCDE TAX EXEMPTION FORMS**

**74-6001215**

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

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

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



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

Name of purchaser, firm or agency <b>Harris County Department of Education</b>		
Address ( <i>Street &amp; number, P.O. Box or Route number</i> ) 6300 Irvington Blvd.	Phone ( <i>Area code and number</i> ) (713) 694-6300	
City, State, ZIP code Houston, TX 77022-5618		
<p>I, the purchaser named above, claim an exemption from payment of sales and use taxes (for the purchase of taxable items described below or on the attached order or invoice) from:</p> <p>Seller: _____</p> <p>Street address: _____ City, State, ZIP code: _____</p> <p>Description of items to be purchased or on the attached order or invoice:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Purchaser claims this exemption for the following reason:</p> <p><b>Harris County Department of Education is a local governmental entity.</b></p> <p>_____</p> <p>_____</p> <p>_____</p> <p><small>I understand that I will be liable for payment of sales or use taxes which may become due for failure to comply with the provisions of the Tax Code: Limited Sales, Excise, and Use Tax Act; Municipal Sales and Use Tax Act; Sales and Use Taxes for Special Purpose Taxing Authorities; County Sales and Use Tax Act; County Health Services Sales and Use Tax; The Texas Health and Safety Code; Special Provisions Relating to Hospital Districts, Emergency Services Districts, and Emergency Services Districts in counties with a population of 125,000 or less.</small></p> <p><small>I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner other than that expressed in this certificate and, depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.</small></p>		
<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;"> <b>sign here</b> </div> <div style="border-bottom: 1px solid black; flex-grow: 1;"></div> </div>	<div style="border-bottom: 1px solid black; flex-grow: 1;"></div>	<div style="border-bottom: 1px solid black; flex-grow: 1;"></div>

NOTE: This certificate cannot be issued for the purchase, lease, or rental of a motor vehicle.

***THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID.***

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

HARRIS COUNTY DEPARTMENT OF EDUCATION  
P-CARD PROGRAM

P-Card Missing Receipt Affidavit

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

Vendor: \_\_\_\_\_ Amount: \$\_\_\_\_\_

Date of Purchase: \_\_\_\_\_ Transaction Number: \_\_\_\_\_

**Item(s) Purchased:**

*(Include description, quantity and unit price, and business purpose for each item)*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**What attempts have been made to request a duplicate receipt from the vendor?**

*(Include names, dates, phone numbers, or emails used in requesting documentation from the vendor.)*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

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

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

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

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

**P-Card Monthly Reconciliation Checklist**

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

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

**Airline Quotes**

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

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

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

**Comments:**

---



---



---



---

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

Employee Name:		Title:	
Signature:		Date:	

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

**HCDE MasterCard Termination Affidavit**

This form is to be completed when a Cardholder no longer needs the use of the P-Card Program.

I, \_\_\_\_\_, am hereby turning in my HCDE Procurement Card. I will ensure that the monthly expense report will be completed and submitted to the point of the last transaction made with the card.

Employee Name:		Title:	
Signature:		Date:	
P-Card Administrator:		Title:	
Signature:		Date:	
Witness:		Title:	
Signature:		Date:	

**For Purchasing Use Only:**

Date P-Card was shredded: \_\_\_\_\_

Date Account was ☐ Closed ☐ Inactive: \_\_\_\_\_

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

**P-Card Violation Notice**

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

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

Transaction Description: \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_

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

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

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

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

\_\_\_\_\_  
**P-Card Administrator**

\_\_\_\_\_  
**Date**

**Required Signatures:**

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

cc: Assistant Superintendent for Business Services

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

**P-Card Facilitator Form**

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

Facilitator Name:		Division:	
Email Address:		Date:	

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

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

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

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

*Purchasing Use Only:*

Assigned User ID: \_\_\_\_\_

Date Created: \_\_\_\_\_

P-Card Administrator Signature: \_\_\_\_\_

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

**P-Card Facilitator Agreement**

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

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

Facilitator Name:		Title:	
Signature:		Date:	



Page Intentionally Left Blank



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

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

MONTH OF  

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

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

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

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

Card Holder Name ██████████

Budget Manager Name	
---------------------	--



**HARRIS COUNTY DEPARTMENT OF EDUCATION  
REVIEW OF MONTHLY P CARD**

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

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

**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)."**

---

Procurement Manager

---

Procurement Director

---

Jesus J. Amezcua, PhD, CPA, RTSBA, Assistant Superintendent for Business Services



**HARRIS COUNTY DEPARTMENT OF EDUCATION  
REVIEW OF MONTHLY P CARD**

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

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

**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)."**

---

Procurement Manager

---


Procurement Director

---

Jesus J. Amezcua, PhD, CPA, RTSBA, Assistant Superintendent for Business Services

## **Budget**

The Budget Manager is responsible for ensuring that all monies due to HCDE have been received, deposited and spent in compliance with all state, local and federal regulations.

	<p align="center"><b>BUDGET PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p>
<p>DATE DEVELOPED: _____ REVISED DATE: 05/01/15</p>		
<p>SUBJECT: BUDGET GUIDELINES</p>		

Budgeting is a year-round activity, from the proposed budget estimates to the final amended budget and expenditures in the annual financial report. The Budget Development Process is comprised of three major phases: planning, implementation, and evaluation.

The HCDE fiscal year is September 1<sup>st</sup> through August 31<sup>st</sup>. The budget planning phase includes a Budget Planning Calendar that is approved by the HCDE Board in December. Budget Managers are trained and requested budgets are submitted. The Budget Return packages are approved by the appropriate Assistant Superintendent and include: Pentamation forms, web based forms and other required forms, including the HR Position listing. Once the Planning, Preparation & Submission, and Review & Coordination phases of the budget process have been completed, the HCDE budget is ready for adoption. Administration presents an official budget to the Board of Trustees annually at the June or July board meetings for approval for the succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them (estimated revenues). The budget is presented in relation to Department and division goals, and highlights of the budget are discussed in the Executive Budget Summary report in the Budget Book which is posted in the HCDE web site. Final budget allocations are formally approved by the Board, which subsequently establishes a tax rate sufficient to support the approved budget.

#### **RESOURCES AVAILABLE ON THE HCDE PORTAL\BUSINESS SERVICES\BUDGET PLANNING**

- Budget Planning Workbook
- Account Codes folder
- Budget Books -available posted on HCDE website under Business Service\Budget and Tax

**INDIRECT COSTS:** Use the FY 2017-18 rate of 9.65% to estimate the indirect costs for your FY 2018-19 grants.

Code	Code	Code	Code	Code	Manager Code	Object Code	Object Code
NUMBER OF DIGITS:							
(3)	(1)	(2)	(3)	(2)	(3)	(4)	(4)

**FY = Fiscal Year. The Fiscal Year Code is the last digit of the fiscal year. For example: for fiscal year (FY) 2018-19, the fiscal year code is 9.**


### **Budget Monitoring- Monthly Budget Reports**

Budget Managers should have access to their budget reports on the Pentamation financial system, and have the security clearance to run the following reports:

- Detail Revenue Status Report
- Detail Expenditure Status Report
- Revenue Audit Trail Report
- Expenditure Audit Trail Report

Instructions for printing these reports are available on the **HCDE Portal\Business Services\Reports in Pentamation**.

New Budget Managers must complete the eFinancePlus Request form on line indicating the type of access requested which requires budget manager's approval. This form also requires the Business Services approval. Once all approvals have been obtained, Technology staff will grant the access requested.

	<p align="center"><b>BUDGET PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p>
<p>DATE DEVELOPED:</p>	<p>REVISED DATE: 05/05/15</p>	
<p>SUBJECT: BUDGET TRANSFER &amp; BUDGET ADJUSTMENT PROCEDURES</p>		

## Introduction

A budget is an estimate of planned expenditures and expected revenues. Many changes can take place between estimating for the proposed budget in February and the start of the new fiscal year in September. Program and operational changes will mean budget changes. It is essential, for planning, control and management objectives, to revise the budget as it becomes necessary. These changes to the budget are made in the form of (I) Budget Transfers or (II) Budget Adjustments.

**Budget Transfers are submitted on line and require budget managers approval. Budget Amendments require board approval and are presented to the board on a monthly basis.**

Responsibility for budget development and budget performance rests with the Budget Managers.

## I. BUDGET TRANSFER

### When to Prepare a Budget Transfer

A budget transfer is required when funds need to be moved from one account to another to cover operating costs. Below are possible scenarios that cause budget transfers:

1. An expenditure is greater than estimated, and will cause the account to be overdrawn. Funds from a different account are used to cover the increase.
2. The program plan for your division has changed, resulting in the need to move funds from one account to another.
3. A requisition amount is over the budget amount. Funds from a different account are used to cover the difference.

If funds are not available in a particular line item, no transactions can be done until a budget transfer is processed and allows sufficient funds for the transaction to be processed.



### **Budget Transfer Approval Signature Requirements**

Budget transfer are processed on line and require the following signatures:

1. Budget Manager (should be Director level or above) approval signature.
2. Accounting Staff Approval Signature.
3. Chief Accounting Officer-Business Approval Signature up to \$24,999
4. Assistant Superintendent for Business Services signature is required for all transfers over \$25,000.

A detailed reason for the transfer must be included.

## **II. BUDGET AMENDMENT**

### **When to Prepare a Budget Amendment- (Board Approval Required)**

Budget amendments should be processed if either the revenues or expenditure allocation need to change. Below are possible scenarios that cause budget amendments:

1. A new contract is obtained and it will result in higher revenues and expenditures than originally budgeted.
2. The program is reduced, resulting in both estimated revenues and budgeted expenditures being less than originally budgeted.

A detailed reason for the amendment must be included.

### **Budget Amendments Approval Signature Requirements**

Budget amendments for locally-funded budgets always required Budget Manager, Business Services and Board approval.

Budget amendments require special approval, as follows:

1. If the budget is state- or federally-funded, the budget amendment must be approved by grantor agency before it can go the HCDE board for approval if the grant regulations require their approval first.  
Refer to the application and amendment instructions.
2. Superintendent approval is required anytime funds are appropriated from fund balance--before it goes to the HCDE board for approval. Each request is reviewed for merit and need.
3. In addition, check with the Executive Team supervisor to see if your budget amendments require their approval/signature.

### **Processing a Budget Amendment**

The budget manager initiates the budget amendment.

- If the amendment does not require one of the 'special approvals' listed above, forward it directly to the staff accountant.
- If the budget adjustment requires 'special approval' (as previously described), please obtain the necessary approvals.
- Since budget amendments requires HCDE Board approval, forward it to the Business Services in plenty of time for it to be included in the Budget

Amendment Report for the next board meeting agenda. Check the Business Services monthly calendar for due dates.

Business Services will review the budget amendment to assure that appropriate approvals have been obtained, that the budget codes are correct, and that adequate funds are available for any accounts being decreased.


### **Amendment Guidelines for State and Federal Grants through TEA**

Budget managers may transfer within the approved budget to meet unanticipated required expenditures and to make limited changes to the previously approved budget. However, certain types of changes require prior approval from TEA.

An adjustment (amendment) is necessary when:

- the proposed revision would result in the need for additional funding except as noted in the guidelines for specific programs, cumulative transfers among direct cost categories exceed (at any time during the grant period) 25%\* of the total current approved budget for the program. The cumulative total is defined as the total amount of additions to any class-object code not including deletions. (\*Check your grant for the applicable percentages.)
- any transfer of funds allotted for training costs, i.e. from direct payments to trainers to other expense categories.
- any budget amendment to a grant containing construction costs.
- any revision to the scope or objectives of the grant (regardless of the necessity of an amendment to the associated budget)
- a request to extend the period of the grant.
- an increase in the quantity of capital outlay items requested.
- an increase/decrease in the number of positions approved on Schedule #3B-Payroll Costs.
- adding an item which requires prior approval.
- adding a new class/object code not previously budgeted.
- any other unspecified reason.

Under no circumstances may the total expenditures exceed the total amount approved. Also, budget amendments must be approved by TEA and the notice of grant award (NOGA) from TEA received in Business Services before they are presented to the HCDE Board for approval.

 <div>Harris County Department of Education</div>	<div>ACCOUNTING PROCEDURES</div> <div>HARRIS COUNTY DEPARTMENT OF EDUCATION</div>	Reference:
<div>DATE DEVELOPED: 04/01/2006</div> <div>REVISED DATE: 6/30/18</div>		
<div>SUBJECT: Budgeting for Replacement Assets</div>		

Some assets (i.e., land) will last a lifetime. Others are replaced according to a replacement schedule or when the asset becomes too expensive to repair. Funds for major replacements items come out of the Reserve Fund Balance. ***Funds budgeted for replacement of assets cannot be used for any other purchase.***


The following steps will guide you in including these replacements in your proposed budget.

1. You will be given a report titled Replacement Asset Listing in your budget packet. Review the report for assets that are scheduled to be replaced during the next fiscal year. This report is generated by the computer system, based on the estimated useful life of the asset. **If you did not get the report, no assets are scheduled for replacement this year.** Call Business Analyst if you have any questions about this.
2. Evaluate the 'REPLACEMENT DATE' for each asset listed on your report. If you believe that the expected life should be increased, change the replacement date on the list by lining through the printed dated and printing the new date just above it. Business Services will review your recommendations for updating the estimated useful life for the assets you marked.

Now you can concentrate on those assets that need to be replaced during the budget process.

3. Estimate the cost of replacing an item using current price catalogs (Butler, Hallmark, Office Depot, etc.). If you are unsure of any aspect of replacing a particular item, contact Purchasing Support for assistance. For technology items, do a Helpdesk request for quotes on these items. Items should be considered individually and not in groups when using these criteria.
4. Highlight the items you wish to replace and put replacement costs into your proposed budget using the appropriate expenditure object codes.

**664X**-Replacement capital assets are identified as an item having a value of \$5,000.00 or more and an expected useful life of more than one year.

	<p style="text-align: center;"><b>ACCOUNTING PROCEDURES</b></p> <p style="text-align: center;">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p>
<p>DATE DEVELOPED: 04/01/2006</p>		
<p>SUBJECT: Budgeting for Replacement Assets</p>		
<p>REVISED DATE: 6/30/18</p>		

**6394**-Replacement assets having a value of \$1,000.00 or more, including sensitive items, but less than \$5,000.00-unit cost, should use object code 6394 (Replacement) and the appropriate sub-object code.

**63990000**-All other assets (desks, file cabinets, etc.) under \$1,000.00 should be charged to general supply object code 6399 except sensitive items.

NOTE: The 6399 account code expenditures are not offset by Reserved Fund Balance.

## Sample Procedure:

A division contracts with another division to provide a service(s) within GENERAL FUND:

### Steps

- 1 Determine the amount to be charged to the division for the service.
- 2 Identify the revenue budget code and budget manager
- 3 Once services has been completed, the provider need to send invoice to the contracting division
- 4 Send explanation memo describing the agreement to the Chief Accounting Officer so that a journal entry can be processed in the general ledger.

The memo should explain which Budget Manager is providing the services and which Budget Manager is being charged the cost.

The contracting division is the division that needs the service.

The provider division is the division which delivers the service.

### Contracting Division

BMgr -



Charge

Debit

Credit

199 | 8 | 41 | 014 | 99 | 014 | 6299 | 0000

[ Consultants ]

----->

\$ 600

BMgr -



### Provider Division

199 | 8 | 00 | 051 | 99 | 051 | 5726 | 0000

[ Local Revenue ]

----->

\$ 600

A division contracts with another division to provide a service between Funds -say GENERAL FUND and HEAD START FUND

Note: Offsetting Cash or Due to/from.

### Contracting Division

BMgr -

Charge

Debit

Credit

205 | 8 | 41 | 901 | 99 | 901 | 6299 | 0000

[ Expense ]

----->

\$ 600

### Provider Division

BMgr -


Increase

199 | 8 | 41 | 050 | 99 | 050 | 5726 | 0000

[ Revenue ]

----->

\$ 600

	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <a href="#">CH (LOCAL)</a>
DATE DEVELOPED: 10-19-2009	REVISED DATE: 05-05-15	
SUBJECT: Access to General Ledger account codes and electronic requisitioning		

### **Purpose**

To provide guidelines for requesting access to HCDE's accounting system and electronic requisitioning system: This includes the following:

- 1) Access to account codes for their division
- 2) Access to electronic purchasing requisition
- 3) Access to print accounting reports

### **Procedures**

#### **By Division Supervisor**

Each Division Supervisor shall submit an eFinanceplus Request Form on line requesting access. The request can be located in the HCDE Portal. The request must include the following information:

- 1) Name of the employee
- 2) Budget Manager Name and Division Budget Number to which they are seeking access
- 3) Identify the access requested

### **Annual Compliance Requirement**

Each year, at the beginning of the fiscal year, all staff with access to budget accounts and approval to initiate a request MUST complete the

1. Authorization form [P:\Business Services\Forms\Accounting Forms\Authorized Signature](#)
2. Conflict of interest form [P:\Business Services\Forms\Accounting Forms\Authorized Signature](#)
3. Fraud awareness package [P:\Business Services\Fraud Prevention Model and Awareness\Fraud Prevention Packet](#)

#### **By Assistant Superintendent for Business Services**

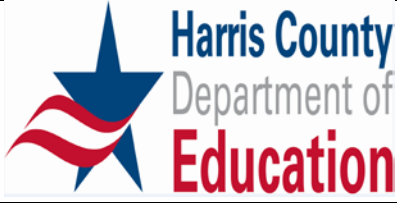
The Assistant Superintendent for Business Services will review the eFinanceplus request form on line for appropriate segregation of duties. Access can only be requested by employees within the supervision of a division manager. Once the form is approved, the Technology division will process the request.

**By Technology Division**

The Technology division will review the request and update the access as requested.

**Approval on division codes - requisitions**

The access to approve as a division manager is designated by the respective Executive Team member. Only professional staff or managers are authorized to approve as division managers. Other staff can initiate requisitions and inquire on the accounts.

	<b>ACCOUNTING PROCEDURES</b> HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference: <a href="#"><u>CH (LOCAL)</u></a>
DATE DEVELOPED: 10/30/08	REVISED DATE: 06/16/09	
SUBJECT: Processing accounting journal entries for inter division contracted services		

### **Purpose**

To provide guidelines for accounting for revenues and expenditures from contracts between HCDE divisions.

### **Procedure**

The procedure for making accounting transfers and adjustments to division costs includes the following steps.

#### **Contracting Division**

The contracting division is the division which has a need for services and contracts for such services with other divisions. The contracting division will develop an inter division contract or other form of agreement. This contract should be signed by the division director or budget manager. It must be sent to the Purchasing Division for contract processing.


#### **Provider Division**

The provider division is the division delivering the services, and it should send the contracting division a written invoice after the services are completed.

The provider division should also provide the account code that will be used to provide payment to the division. If the division is providing a service by a consultant, the code should be 6299 for consultants.

Once the contracting division reviews and approved the invoice, it must be submitted to the Business Service for processing. A journal entry will be prepared charging the contracting division and crediting the provider division.



	<b>ACCOUNTING PROCEDURES</b> HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference: <a href="#">CH (LOCAL)</a>
DATE DEVELOPED: 10-19-2009		REVISED DATE: 05-05-15
SUBJECT: Access to General Ledger account codes and electronic requisitioning		

### **Purpose**

To provide guidelines for requesting access to HCDE's accounting system and electronic requisitioning system: This includes the following:

- 1) Access to account codes for their division
- 2) Access to electronic purchasing requisition
- 3) Access to print accounting reports

### **Procedures**

#### **By Division Supervisor**

Each Division Supervisor shall submit an eFinanceplus Request Form on line requesting access. The request can be located in the HCDE Portal. The request must include the following information:

- 1) Name of the employee
- 2) Budget Manager Name and Division Budget Number to which they are seeking access
- 3) Identify the access requested

### **Annual Compliance Requirement**

Each year, at the beginning of the fiscal year, all staff with access to budget accounts and approval to initiate a request MUST complete the

1. Authorization form [P:\Business Services\Forms\Accounting Forms\Authorized Signature](#)
2. Conflict of interest form [P:\Business Services\Forms\Accounting Forms\Authorized Signature](#)
3. Fraud awareness package [P:\Business Services\Fraud Prevention Model and Awareness\Fraud Prevention Packet](#)

#### **By Assistant Superintendent for Business Services**

The Assistant Superintendent for Business Services will review the eFinanceplus request form on line for appropriate segregation of duties. Access can only be requested by employees within the supervision of a division manager. Once the form is approved, the Technology division will process the request.

**By Technology Division**

The Technology division will review the request and update the access as requested.

**Approval on division codes - requisitions**

The access to approve as a division manager is designated by the respective Executive Team member. Only professional staff or managers are authorized to approve as division managers. Other staff can initiate requisitions and inquire on the accounts.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

### Payroll Costs 61XX-XXXX

**You may NOT amend the accounts in 61XX Class without first contacting the Business Office.**

**All 61XX-XXXX codes are for HCDE employees only.**

- |      |      |   |
|------|------|---|
| 6112 | 0000 | Teacher Substitutes<br>Pay teacher substitutes when teachers are absent due to sickness, jury duty, staff development, etc.   |
| 6113 | 0000 | Stipends<br>Pay lump sum for teachers performing extra duties, such as tutoring, or after-school programs.  |
| 6114 | 0000 | Recruitment Incentives<br>Used in hiring new teachers- Used only Human Resources  |
| 6115 | 0000 | Salaries-Professional Part-Time<br>Pay salaries for professional employees who are working part-time.   |
| 6116 | 0000 | Salaries-Summer Pay<br>Payment of salaries during the summer.   |
| 6117 | 0000 | In-service Pay-Professional<br>Payment of non-instructional extra pay to professional instructors.  |
| 6118 | 0000 | Instructors-P/T Degreed<br>Salaries to part-time instructors with degrees.  |
| 6119 | 0000 | Salaries-Professional Personnel<br>Salaries expense for teachers, counselors, principals, assistant principals, librarians, nurses, and other professional employees. |
| 6121 | 0000 | Overtime<br>Payment to any employee authorized to work overtime.  |
| 6122 | 0000 | Substitutes-Teacher Assts<br>Pay substitutes when teacher assistants are absent due to sickness, jury duty, staff development, etc.                                   |

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

- |      |      |  |
|------|------|--|
| 6123 | 0000 | In-service Pay-Aides<br>Payment of non-instructional extra pay to aides.   |
| 6124 | 0000 | Salaries-Instructional Aides<br>Payment of part-time wages to instructional aides.   |
| 6125 | 0000 | Part-Time Help<br>Pay for part-time instructors teaching classes, clerical and support staff substitutes and additional help in the office. For outside Temporary Services, use 6215-0000. |
| 6126 | 0000 | Wages-Summer Pay-Aides<br>Payment of wages during the summer.  |
| 6127 | 0000 | Wages-Custodial Staff<br>Pay wages of custodial staff employees.   |
| 6128 | 0000 | Wages-Technical Staff<br>Pay salaries of technical staff employees.  |
| 6129 | 0000 | Wages-Support Staff<br>Pay salaries of support staff employees, such as administrative assistants, campus clerical staff, and other clerical support staff.                                |
| 6139 | 0000 | Employee Allowances<br>Payment of employee allowances.   |
| 6141 | 0000 | FICA/Medicare<br>Social Security and Medicare employer contribution.   |
| 6142 | 0000 | Group Health & Life Insurance<br>This is the Department's portion of the Health Insurance Plan.  |
| 6143 | 0000 | Workers Compensation<br>Workers' Compensation expenditures for Department employees.   |
| 6144 | 0000 | Teacher Retirement System (TRS) On-Behalf Payments<br>Represents payments into TRS from the State on behalf of the Department.   |

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

- 6145 0000 Unemployment Compensation  
Payment of unemployment benefits for employees that have left the Department.
- 6146 0000 Teacher Retirement System  
Payments to Texas Retirement System-ALL FEDERAL GRANT PROGRAMS.  
GENERAL FUND: FIRST 90 DAYS NEW EMPLOYEES.
- 6147 0000 TRS Care Administration Fee  
Payment of TRS Care administrative fee charges required by the State.
- 6148 0000 Cafeteria Plan Administration Fee  
Fee that covers the cost of administering the cafeteria plan.
- 6149 0000 Employee Assistance Plan  
Fee for the cost of the Employee Assistance Program.
- 6199 0000 Retirement Leave Benefits  
Payment of sick leave and personal leave remaining upon retirement.

### **Professional & Contracted Services 62XX-XXXX**

- 6211 0000 Legal Services  
Payment of attorney fees for legal work done for the Department.  
**FOR BUSINESS SERVICES USE ONLY. DO NOT AMEND.**
- 6212 0000 Audit Services  
Payment of audit services used by the Department, such as the annual audit of financial records.
- 6213 0000 Tax Appraisal Fees  
Payment of tax appraisal and collection fees assessed by Harris County Appraisal District based on the Department's property values and Harris County Tax Office.
- 6214 0000 Security Services  
Payment for security services at the Administration building and the campuses.
- 6215 0000 Temporary Services

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

Payment for temporary services from outside employment agencies.

6219 0000 Professional Services

This code is used to classify expenditures/expenses for professional services rendered by personnel who are not on the payroll of the school district. Government Code 2254.002 defines professional services to be the following:

Architecture	Optometry
Landscape architecture	Professional engineering
Land surveying	Real estate appraising
Medicine	Professional nursing

Accounting (audit services belong in object code 6212). These professionals are required to be licensed or registered with the state. Professional services are delivered by an independent contractor (individual, entity or firm) that offers its services to the public. Such services are paid on a fee basis for specialized services that are usually considered to be temporary or short-term in nature, normally in areas that supplement the expertise of the school district. This includes all related expenditures/expenses covered by a professional services contract, if the contracted service is not detailed in object codes 6211 through 6214.

6239 0000 Media Fees-Region IV ESC

Payment of contracted media services from the service center.

6243 0000 Contracted Maintenance & Repair-Disaster Recovery

Payment of contracted services for normal upkeep, repairs, maintenance and renovation of the disaster recovery system.

6244 0000 Contracted Maintenance & Repair-Electrical

Payment of contracted services for normal upkeep, repairs, maintenance, and renovation of all electrical pertaining to buildings.

6245 0000 Contracted Maintenance & Repair-Networks

Payment of contracted services for normal upkeep, repairs, maintenance, and renovation of data processing equipment. This includes data drops and data cabling installation made by outside companies.

6246 0000 Contracted Maintenance & Repair-Buildings & Grounds

Payment for normal upkeep, maintenance, and renovation of buildings and grounds, including repairs to elevators, buildings, heating and cooling components, electrical, plumbing, fire equipment and liquid waste removal.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

- 6247    0000    Contracted Maintenance & Repair-Vehicles  
                  Payments for normal upkeep, maintenance, and renovations of vehicles.
  
- 6248    0000    Contracted Maintenance & Repair-Equipment  
                  Payments for normal upkeep, maintenance, and renovation of equipment.
  
- 6249    0000    Contracted Maintenance & Repairs-All  
                  Payments for the normal upkeep, maintenance, and renovation of other equipment,  
                  including copier maintenance agreements.
  
- 6255    0000    Utilities-Water  
                  Payments for water usage, wastewater treatment and garbage disposal.
  
- 6256    0000    Telephones, Cell & Pagers  
                  Payment of telephone and telecommunication charges, including monthly phone  
                  line charges, cellular phones, pagers, local area and wide area network connection  
                  charges.
  
- 6257    0000    Utilities-Electricity  
                  Payments of monthly electricity usage.
  
- 6258    0000    Utilities-Gas  
                  Payment of monthly natural gas usage.
  
- 6259    0000    Data Lines-Technology  
                  Payments for data lines and other utilities not listed in the 625X series.
  
- 6264    0000    Improvement-Leased Property  
                  Payment of improvements made to leased property.
  
- 6265    0000    Rental Space-Events  
                  Payment of rental space for events and conferences.
  
- 6266    0000    Leases & Rentals-Equipment  
                  Payment of the leasing and/or rental of equipment.
  
- 6267    0000    Rentals-Buses

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

Payment for bus rentals.

6268 0000 Leases & Rentals-Buildings

Payment for building rentals and leasing of office space.

6269 0000 Leases & Rentals-Copiers

Payment of copier leases and rentals.

6291 0000 Consulting Services

Payment for consultants not included in 6219-0000

6298 0000 Microfilm Services

Payment of contracted microfilming services.

6299 0000 Miscellaneous Contracted Services -

Miscellaneous Contracted Services This code is used to classify expenditures/expenses for miscellaneous contracted services not specified elsewhere. Any local option codes that are used at the local option are to be converted to account 6299 for PEIMS reporting.

Payment of all contracted services not listed in above 629X series.

## Supplies & Materials 63XX-XXXX

6311 0000 Gasoline & Other Fuels

Purchase of gasoline, motor oil and other fuels needed to operate vehicles and machinery.

6315 0000 Building Supplies & Materials

Payment for supplies and materials used to maintain and operate Department buildings, including telecommunications, extermination, air conditioning, heating and electrical, plumbing, roof repair, and fire equipment.

6317 0000 Vehicle Parts & Supplies

Payment for parts and materials used to maintain and operate vehicles.

6318 0000 Custodial Supplies & Materials

Charges to campuses for custodial supplies.

6319 0000 Maintenance Supplies



# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

Supplies needed to maintain and operate Department equipment and buildings; everything not listed in the above 631X series.

- 6321 0000 Textbooks  
Textbooks used by the Department and furnished free to students.
- 6329 0000 Reading Materials  
Purchase of reading materials, including reference books, subscriptions for periodicals and magazines and other reading materials.
- 6339 0000 Testing Materials  
Purchase of student testing materials, including testing forms, booklets, tutorial materials and books.
- 6341 0000 Food Purchases for Cafeterias  
**SP Scholls & Head Start Only** - Purchase of food used to feed Head Start program students in school kitchens or cafeterias at their locations. Use 6398 for purchasing snacks and drinks for after school programs or classrooms. Use 6418 for refreshments at meetings.
- 6342 0000 Non-Food-Kitchen Supplies  
**SP Schools & Head Start Only.** Purchase of non-food items, such as napkins, brooms, small equipment purchases, marketing materials, and any other non-food items. All other campuses and divisions should use 6399 for these items.
- 6344 0000 USDA Commodities  
Purchase of USDA commodities for the Head Start Program.
- 6391 0000 Instructional Materials  
Purchase of classroom and instructional supplies and materials, including pens, pencils, paper, workbooks and other classroom items.
- 6392 0000 Records Storage Boxes from Records Management Services  
Purchase of records storage boxes needed by Records Management division.
- 6393 0001 New Purchase-Equipment <\$5,000  
Purchase of equipment whose unit cost is less than \$5,000. Items less than \$1,000 unit cost should be charged to 6399 General Supplies.
- 6393 0002 New Purchase-Technology <\$5,000

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

Purchase of technology equipment whose unit cost is less than \$5,000. Items less than \$1,000 unit cost should be charged to 6399 General Supplies.

6393    **0003**    New Purchase-Furniture <\$5,000  
Purchase of furniture whose unit cost is less than \$5,000. Items less than \$1,000 unit cost should be charged to 6399 General Supplies.

6393    **0004**    New Purchase-Other <\$5,000  
Purchase of equipment other than above whose unit cost is less than \$5,000. Items less than \$1,000 unit cost should be charged to 6399 General Supplies.

6394    **0001**    Replacement-Equipment <\$5,000  
Purchase of replacement equipment whose unit cost is less than \$5,000. Items less than \$1,000 unit cost should be charged to 6399 General Supplies.

**BUDGET ACCESS BY BUSINESS SERVICES ONLY**

6394    **0002**    Replacement-Technology <\$5,000  
Purchase of replacement technology equipment whose unit cost is less than \$5,000. Items less than \$1,000 unit cost should be charged to 6399 General Supplies.

**BUDGET ACCESS BY BUSINESS SERVICES ONLY**

6394    **0003**    Replacement-Furniture <\$5,000  
Purchase of replacement furniture whose unit cost is less than \$5,000. Items less than \$1,000 unit cost should be charged to 6399 General Supplies.

**BUDGET ACCESS BY BUSINESS SERVICES ONLY**

6394    **0004**    Replacement-Other <\$5,000  
Purchase of other types of equipment whose unit cost is less than \$5,000. Items less than \$1,000 unit cost should be charged to 6399 General Supplies.

**BUDGET ACCESS BY BUSINESS SERVICES ONLY**

6395    0000    Copier Charges  
Charges for copier usage per division.

6396    0000    Printing & Forms  
Charges for printing and pre-printed forms.

6397    0000    Software Purchases  
Purchase of computer software including site license, applications, and anything

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

associated with the software.

6398 0000 Food-Classrooms on Campus  
Purchase of snacks/food for students at the campus classroom level.

6399 0000 General Supplies  
Purchase of general supplies and materials not listed above in the 639X series, including supplies for a satellite dish, technology supplies and any other supplies.

### Miscellaneous Operating Costs 64XX-XXXX

6411 0000 Employee Travel-Lodging  
Payment of lodging expenses associated with employee business travel outside the county. Lodging in the HCDE service area is not typically allowed. Discuss with the CFO. Refer to allowable travel reimbursement expenses.

6412 0000 Employee Travel-Meals  
Payment of employee meal expenses associated with employee travel.

6413 0000 Employee Travel-Transportation  
Payment of airline fares and mileage associated with out of town employee travel. Covers the cost of an airline ticket or total mileage driven to and from the conference/seminar city. Local miles driven inside the city to/from campuses and other districts should be charged to Object Code 6417-In County Mileage.

6414 0000 Employee Travel-Conference Registration Fees  
Payment of or reimbursement for out-of-town conference registration fees. Use 6494 for local training or workshop fees.

6415 0000 Food-Business Meetings  
Payment of food for various working meetings such as the cabinet meeting, steering committees, division retreats, trainings, workshops, and business meals with HCDE clients.

6416 0000 Food-Receptions  
Payment of food for various receptions held at the Department for retirements, holiday festivities, Board Member Recognition, etc.

**UNALLOWABLE: Division celebrations for birthdays, holidays, etc. are not**

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

### **business expenses and will not be paid for by HCDE.**

6417 0000 Local Daily Mileage/Parking/Toll Charges  
Payment of local mileage travel within the Department service area for travel between campuses, other admin buildings, other business locations.  
Use code 6413 for mileage travel outside the county.

6418 0000 Refreshments-Meetings  
Payment for the cost of providing refreshments, such as coffee, tea, sodas, etc., and snacks at meetings, professional development, and training.

#### Board Travel

Payment for or reimbursement to board members for expenses incurred attending professional conferences and other travel on official HCDE business. Does not include any expenses for Board family members.

6419 0000 Board Travel-Lodging

6419 0001 Board Travel-Meals

6419 0002 Board Travel-Transportation

6419 0003 Board Travel-Conference Registration

#### Non-Employee Travel

Payment for or reimbursement to non employees for expenses incurred attending professional conferences and other travel allowed by Federal and State grants.

6419 0004 Non-Employee Travel-Lodging

6419 0005 Non-Employee Travel-Meals

6419 0006 Non-Employee Travel-Transportation

6419 0007 Non-Employee Travel-Conference Registration

6427 0000 Auto Insurance

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

1) Payment of all types of insurance for HCDE vehicles; called BUSINESS AUTO or AUTOMOBILE.

2) Premium overpayments get deposited here.

6428 0000 Liability Insurance

1) Payment of all liability insurance, NOT including vehicles; called GENERAL or SCHOOL PROFESSIONAL LIABILITY.

2) Premium overpayments get deposited here.

6429 0000 Property Insurance & Bonding

1) Payment of property insurance premiums covering buildings, equipment, and any other property requiring insurance to safeguard the district's assets; called PROPERTY & CASUALTY, FLOOD INSURANCE.

2) Also bonding insurance costs for employees who deal with large sums of money; called BONDING, CRIME, COMMERCIAL CRIME, or E & O COVERAGE.

3) Premium overpayments get deposited here.

6427 0001 Insurance Deductibles-Auto

Payments to insurance company for policy deductibles.

6428 0001 Insurance Deductibles-Liability

Payments to insurance company for policy deductibles.

6429 0001 Insurance Deductibles-Property

Payments to insurance company for policy deductibles.

6487 0000 Facility Support Charges

Charged to divisions based on square footage used or individual facility campus budget.

**FOR BUSINESS SERVICES USE ONLY. DO NOT AMEND.**

6488 0000 Respite Care

**USED BY ECI KEEP PACE PROGRAM ONLY.**

6489 0000 In Kind-Donated Services/Supplies

For recording any in-kind services and supplies received by the Head Start program.

6491 0000 Records Management Fees

Recording records storage fees charged to budgets by Records Management Services.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

- 6492 0000 Permits & Fees  
Payment of various fees required for maintaining the facilities.
- 6493 0000 Expenditures-Shared Service Arrangements  
Payments for reimbursement of expenses incurred by school districts participating in a shared services arrangement with HCDE.  
**FEDERAL OR STATE GRANTS ONLY.**
- 6494 0000 Workshop Registration Fees  
Payment of local workshop and registration fees. Use 6414 for out of town workshop and registration fees.
- 6495 0000 Awards Recognition  
Payments for plaques and other types of awards given to employees as service awards, incentive awards and retirement awards, for example.  
Included here is the \$25 per employee recognition per fiscal year.
- 6496 0000 Advertising, Bids & Notices  
Purchase of newspaper space to post bid notices, employment openings, and any other type of advertising.
- 6497 0000 Membership Dues  
Payment of membership and organization dues and fees such as TASBO, TASA, TASB, etc.
- 6498 0000 Postage  
Recording postage costs.
- 6499 0000 Miscellaneous Operating Costs  
Payment of anything else not covered in the above 64XX series.  
**Debt Service Costs 65XX-XXXX**
- 6511 0000 Bond Principal  
Payment to retire bond principal.
- 6519 0000 Debt Principal  
Payment to retire debt principal other than in 6511 above.
- 6520 0000 Bond Interest

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

Payment of bond interest.

6529 0000 Interest Expense

Payment of interest other than in 6520 above.

6599 0000 Other Debt Service Fees

Payment of allowable fees related to debt service activity, including fiscal agent fees.

### Capital Outlay 66XX-XXXX

6611 0000 Land Purchases

Payment made for land purchases acquired by HCDE.

6619 0000 Land Improvements

Payment of land purchase, land improvement other than buildings and associated fees, including costs necessary to alter the land for its intended use.

6621 0000 Buildings-Materials Other Than Construction

Pay for supplies & materials not directly associated with building improvements.

6622 0000 Building Construction-Architect Fees

Pay for architect fees associated with building renovations or erecting a building.

6623 0000 Building Construction-Demolition

Pay for building demolition associated with the purchase of a previously owned building.

6627 0000 Building Construction-Fees

Pay for permit fees and other fees associated with building a new building or renovations made to a purchased building.

6628 0000 Construction in Progress

Expenditures of an on-going construction project not to be recognized as a capital asset until completion.

6629 0000 Building Purchase, Construction & Improvements

Purchase of a building or for materials and labor to construct a new building, including expenditures for substantial alteration or remodeling of existing buildings that materially increases the building life and/or usefulness. Also, architect fees and any other fees associated with building construction or purchase.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

6631 0000 Vehicle Purchase >\$5,000  
Purchase of vehicles over \$5,000 unit cost and a useful life of more than one year.

6635 0000 Equipment Purchase >\$5,000  
Purchase of equipment over \$5,000 unit cost and a useful life of more than one year, including telephone systems, intercommunication and telecommunication systems, high-capacity copiers and large sized equipment.

6636 0000 Technology Purchase >\$5,000  
Purchase of technology equipment over \$5,000 unit cost and a useful life of more than one year, including mainframes and mini-computers.

6639 0000 Other Equipment Purchase >\$5,000  
Purchase of all other types of equipment over \$5,000 unit cost not listed in the 663X series. Also includes the purchase of mainframe computer software applications, such as a financial software package needed for accounting.

6644 0000 Replacement-Equipment >\$5,000  
Purchase of replacement equipment over \$5,000 unit cost.

**FUND BALANCE RESERVE: BUDGET ACCESS BY BUSINESS SERVICES ONLY**

6645 0000 Replacement-Buildings >\$5,000  
Replacement of buildings over \$5,000 unit cost.

**FUND BALANCE RESERVE: BUDGET ACCESS BY BUSINESS SERVICES ONLY**

6646 0000 Replacement-Technology Equipment >\$5,000  
Purchase of replacement technology equipment over \$5,000 unit cost.

**FUND BALANCE RESERVE: BUDGET ACCESS BY BUSINESS SERVICES ONLY**

6647 0000 Replacement-Vehicles >\$5,000  
Purchase of replacement vehicles over \$5,000 unit cost.

**FUND BALANCE RESERVE: BUDGET ACCESS BY BUSINESS SERVICES ONLY**

6648 0000 Replacement-Furniture >\$5,000  
Purchase of replacement furniture over \$5,000 unit cost.

**FUND BALANCE RESERVE: BUDGET ACCESS BY BUSINESS SERVICES ONLY**



# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

6649 0000 Replacement-Other Items >\$5,000

Purchase of any other replacement items not listed above in the 664X series.

**FUND BALANCE RESERVE: BUDGET ACCESS BY BUSINESS SERVICES ONLY**

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

### Payroll Costs 61XX-XXXX

**You may NOT amend the accounts in 61XX Class without first contacting the Business Office.**

**All 61XX-XXXX codes are for HCDE employees only.**

- |      |      |   |
|------|------|---|
| 6112 | 0000 | Teacher Substitutes<br>Pay teacher substitutes when teachers are absent due to sickness, jury duty, staff development, etc.   |
| 6113 | 0000 | Stipends<br>Pay lump sum for teachers performing extra duties, such as tutoring, or after-school programs.  |
| 6114 | 0000 | Recruitment Incentives<br>Used in hiring new teachers- Used only Human Resources  |
| 6115 | 0000 | Salaries-Professional Part-Time<br>Pay salaries for professional employees who are working part-time.   |
| 6116 | 0000 | Salaries-Summer Pay<br>Payment of salaries during the summer.   |
| 6117 | 0000 | In-service Pay-Professional<br>Payment of non-instructional extra pay to professional instructors.  |
| 6118 | 0000 | Instructors-P/T Degreed<br>Salaries to part-time instructors with degrees.  |
| 6119 | 0000 | Salaries-Professional Personnel<br>Salaries expense for teachers, counselors, principals, assistant principals, librarians, nurses, and other professional employees. |
| 6121 | 0000 | Overtime<br>Payment to any employee authorized to work overtime.  |
| 6122 | 0000 | Substitutes-Teacher Assts<br>Pay substitutes when teacher assistants are absent due to sickness, jury duty, staff development, etc.                                   |

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

- 6123    0000    In-service Pay-Aides  
                    Payment of non-instructional extra pay to aides.
  
- 6124    0000    Salaries-Instructional Aides  
                    Payment of part-time wages to instructional aides.
  
- 6125    0000    Part-Time Help  
                    Pay for part-time instructors teaching classes, clerical and support staff substitutes and additional help in the office. For outside Temporary Services, use 6215-0000.
  
- 6126    0000    Wages-Summer Pay-Aides  
                    Payment of wages during the summer.
  
- 6127    0000    Wages-Custodial Staff  
                    Pay wages of custodial staff employees.
  
- 6128    0000    Wages-Technical Staff  
                    Pay salaries of technical staff employees.
  
- 6129    0000    Wages-Support Staff  
                    Pay salaries of support staff employees, such as administrative assistants, campus clerical staff, and other clerical support staff.
  
- 6139    0000    Employee Allowances  
                    Payment of employee allowances.
  
- 6141    0000    FICA/Medicare  
                    Social Security and Medicare employer contribution.
  
- 6142    0000    Group Health & Life Insurance  
                    This is the Department's portion of the Health Insurance Plan.
  
- 6143    0000    Workers Compensation  
                    Workers' Compensation expenditures for Department employees.
  
- 6144    0000    Teacher Retirement System (TRS) On-Behalf Payments  
                    Represents payments into TRS from the State on behalf of the Department.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

- 6145 0000 Unemployment Compensation  
Payment of unemployment benefits for employees that have left the Department.
- 6146 0000 Teacher Retirement System  
Payments to Texas Retirement System-ALL FEDERAL GRANT PROGRAMS.  
GENERAL FUND: FIRST 90 DAYS NEW EMPLOYEES.
- 6147 0000 TRS Care Administration Fee  
Payment of TRS Care administrative fee charges required by the State.
- 6148 0000 Cafeteria Plan Administration Fee  
Fee that covers the cost of administering the cafeteria plan.
- 6149 0000 Employee Assistance Plan  
Fee for the cost of the Employee Assistance Program.
- 6199 0000 Retirement Leave Benefits  
Payment of sick leave and personal leave remaining upon retirement.

### **Professional & Contracted Services 62XX-XXXX**

- 6211 0000 Legal Services  
Payment of attorney fees for legal work done for the Department.  
**FOR BUSINESS SERVICES USE ONLY. DO NOT AMEND.**
- 6212 0000 Audit Services  
Payment of audit services used by the Department, such as the annual audit of financial records.
- 6213 0000 Tax Appraisal Fees  
Payment of tax appraisal and collection fees assessed by Harris County Appraisal District based on the Department's property values and Harris County Tax Office.
- 6214 0000 Security Services  
Payment for security services at the Administration building and the campuses.
- 6215 0000 Temporary Services

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

Payment for temporary services from outside employment agencies.

**6219 0000 Professional Services**

This code is used to classify expenditures/expenses for professional services rendered by personnel who are not on the payroll of the school district. Government Code 2254.002 defines professional services to be the following:

Architecture	Optometry
Landscape architecture	Professional engineering
Land surveying	Real estate appraising
Medicine	Professional nursing

Accounting (audit services belong in object code 6212). These professionals are required to be licensed or registered with the state. Professional services are delivered by an independent contractor (individual, entity or firm) that offers its services to the public. Such services are paid on a fee basis for specialized services that are usually considered to be temporary or short-term in nature, normally in areas that supplement the expertise of the school district. This includes all related expenditures/expenses covered by a professional services contract, if the contracted service is not detailed in object codes 6211 through 6214.

**6239 0000 Media Fees-Region IV ESC**

Payment of contracted media services from the service center.

**6243 0000 Contracted Maintenance & Repair-Disaster Recovery**

Payment of contracted services for normal upkeep, repairs, maintenance and renovation of the disaster recovery system.

**6244 0000 Contracted Maintenance & Repair-Electrical**

Payment of contracted services for normal upkeep, repairs, maintenance, and renovation of all electrical pertaining to buildings.

**6245 0000 Contracted Maintenance & Repair-Networks**

Payment of contracted services for normal upkeep, repairs, maintenance, and renovation of data processing equipment. This includes data drops and data cabling installation made by outside companies.

**6246 0000 Contracted Maintenance & Repair-Buildings & Grounds**

Payment for normal upkeep, maintenance, and renovation of buildings and grounds, including repairs to elevators, buildings, heating and cooling components, electrical, plumbing, fire equipment and liquid waste removal.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

- 6247    0000    Contracted Maintenance & Repair-Vehicles  
                    Payments for normal upkeep, maintenance, and renovations of vehicles.
  
- 6248    0000    Contracted Maintenance & Repair-Equipment  
                    Payments for normal upkeep, maintenance, and renovation of equipment.
  
- 6249    0000    Contracted Maintenance & Repairs-All  
                    Payments for the normal upkeep, maintenance, and renovation of other equipment,  
                    including copier maintenance agreements.
  
- 6255    0000    Utilities-Water  
                    Payments for water usage, wastewater treatment and garbage disposal.
  
- 6256    0000    Telephones, Cell & Pagers  
                    Payment of telephone and telecommunication charges, including monthly phone  
                    line charges, cellular phones, pagers, local area and wide area network connection  
                    charges.
  
- 6257    0000    Utilities-Electricity  
                    Payments of monthly electricity usage.
  
- 6258    0000    Utilities-Gas  
                    Payment of monthly natural gas usage.
  
- 6259    0000    Data Lines-Technology  
                    Payments for data lines and other utilities not listed in the 625X series.
  
- 6264    0000    Improvement-Leased Property  
                    Payment of improvements made to leased property.
  
- 6265    0000    Rental Space-Events  
                    Payment of rental space for events and conferences.
  
- 6266    0000    Leases & Rentals-Equipment  
                    Payment of the leasing and/or rental of equipment.
  
- 6267    0000    Rentals-Buses

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

Payment for bus rentals.

6268 0000 Leases & Rentals-Buildings

Payment for building rentals and leasing of office space.

6269 0000 Leases & Rentals-Copiers

Payment of copier leases and rentals.

6291 0000 Consulting Services

Payment for consultants not included in 6219-0000

6298 0000 Microfilm Services

Payment of contracted microfilming services.

6299 0000 Miscellaneous Contracted Services -

Miscellaneous Contracted Services This code is used to classify expenditures/expenses for miscellaneous contracted services not specified elsewhere. Any local option codes that are used at the local option are to be converted to account 6299 for PEIMS reporting.

Payment of all contracted services not listed in above 629X series.

## Supplies & Materials 63XX-XXXX

6311 0000 Gasoline & Other Fuels

Purchase of gasoline, motor oil and other fuels needed to operate vehicles and machinery.

6315 0000 Building Supplies & Materials

Payment for supplies and materials used to maintain and operate Department buildings, including telecommunications, extermination, air conditioning, heating and electrical, plumbing, roof repair, and fire equipment.

6317 0000 Vehicle Parts & Supplies

Payment for parts and materials used to maintain and operate vehicles.

6318 0000 Custodial Supplies & Materials

Charges to campuses for custodial supplies.

6319 0000 Maintenance Supplies

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

Supplies needed to maintain and operate Department equipment and buildings; everything not listed in the above 631X series.

- 6321 0000 Textbooks  
Textbooks used by the Department and furnished free to students.
- 6329 0000 Reading Materials  
Purchase of reading materials, including reference books, subscriptions for periodicals and magazines and other reading materials.
- 6339 0000 Testing Materials  
Purchase of student testing materials, including testing forms, booklets, tutorial materials and books.
- 6341 0000 Food Purchases for Cafeterias  
**SP Scholls & Head Start Only** - Purchase of food used to feed Head Start program students in school kitchens or cafeterias at their locations. Use 6398 for purchasing snacks and drinks for after school programs or classrooms. Use 6418 for refreshments at meetings.
- 6342 0000 Non-Food-Kitchen Supplies  
**SP Schools & Head Start Only.** Purchase of non-food items, such as napkins, brooms, small equipment purchases, marketing materials, and any other non-food items. All other campuses and divisions should use 6399 for these items.
- 6344 0000 USDA Commodities  
Purchase of USDA commodities for the Head Start Program.
- 6391 0000 Instructional Materials  
Purchase of classroom and instructional supplies and materials, including pens, pencils, paper, workbooks and other classroom items.
- 6392 0000 Records Storage Boxes from Records Management Services  
Purchase of records storage boxes needed by Records Management division.
- 6393 0001 New Purchase-Equipment <\$5,000  
Purchase of equipment whose unit cost is less than \$5,000. Items less than \$1,000 unit cost should be charged to 6399 General Supplies.
- 6393 0002 New Purchase-Technology <\$5,000



# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

Purchase of technology equipment whose unit cost is less than \$5,000. Items less than \$1,000 unit cost should be charged to 6399 General Supplies.

6393    **0003**    New Purchase-Furniture <\$5,000  
Purchase of furniture whose unit cost is less than \$5,000. Items less than \$1,000 unit cost should be charged to 6399 General Supplies.

6393    **0004**    New Purchase-Other <\$5,000  
Purchase of equipment other than above whose unit cost is less than \$5,000. Items less than \$1,000 unit cost should be charged to 6399 General Supplies.

6394    **0001**    Replacement-Equipment <\$5,000  
Purchase of replacement equipment whose unit cost is less than \$5,000. Items less than \$1,000 unit cost should be charged to 6399 General Supplies.

**BUDGET ACCESS BY BUSINESS SERVICES ONLY**

6394    **0002**    Replacement-Technology <\$5,000  
Purchase of replacement technology equipment whose unit cost is less than \$5,000. Items less than \$1,000 unit cost should be charged to 6399 General Supplies.

**BUDGET ACCESS BY BUSINESS SERVICES ONLY**

6394    **0003**    Replacement-Furniture <\$5,000  
Purchase of replacement furniture whose unit cost is less than \$5,000. Items less than \$1,000 unit cost should be charged to 6399 General Supplies.

**BUDGET ACCESS BY BUSINESS SERVICES ONLY**

6394    **0004**    Replacement-Other <\$5,000  
Purchase of other types of equipment whose unit cost is less than \$5,000. Items less than \$1,000 unit cost should be charged to 6399 General Supplies.

**BUDGET ACCESS BY BUSINESS SERVICES ONLY**

6395    0000    Copier Charges  
Charges for copier usage per division.

6396    0000    Printing & Forms  
Charges for printing and pre-printed forms.

6397    0000    Software Purchases  
Purchase of computer software including site license, applications, and anything

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

associated with the software.

6398 0000 Food-Classrooms on Campus  
Purchase of snacks/food for students at the campus classroom level.

6399 0000 General Supplies  
Purchase of general supplies and materials not listed above in the 639X series, including supplies for a satellite dish, technology supplies and any other supplies.

### Miscellaneous Operating Costs 64XX-XXXX

6411 0000 Employee Travel-Lodging  
Payment of lodging expenses associated with employee business travel outside the county. Lodging in the HCDE service area is not typically allowed. Discuss with the CFO. Refer to allowable travel reimbursement expenses.

6412 0000 Employee Travel-Meals  
Payment of employee meal expenses associated with employee travel.

6413 0000 Employee Travel-Transportation  
Payment of airline fares and mileage associated with out of town employee travel. Covers the cost of an airline ticket or total mileage driven to and from the conference/seminar city. Local miles driven inside the city to/from campuses and other districts should be charged to Object Code 6417-In County Mileage.

6414 0000 Employee Travel-Conference Registration Fees  
Payment of or reimbursement for out-of-town conference registration fees. Use 6494 for local training or workshop fees.

6415 0000 Food-Business Meetings  
Payment of food for various working meetings such as the cabinet meeting, steering committees, division retreats, trainings, workshops, and business meals with HCDE clients.

6416 0000 Food-Receptions  
Payment of food for various receptions held at the Department for retirements, holiday festivities, Board Member Recognition, etc.

**UNALLOWABLE: Division celebrations for birthdays, holidays, etc. are not**

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

### **business expenses and will not be paid for by HCDE.**

6417 0000 Local Daily Mileage/Parking/Toll Charges  
Payment of local mileage travel within the Department service area for travel between campuses, other admin buildings, other business locations.  
Use code 6413 for mileage travel outside the county.

6418 0000 Refreshments-Meetings  
Payment for the cost of providing refreshments, such as coffee, tea, sodas, etc., and snacks at meetings, professional development, and training.

#### Board Travel

Payment for or reimbursement to board members for expenses incurred attending professional conferences and other travel on official HCDE business. Does not include any expenses for Board family members.

6419 0000 Board Travel-Lodging

6419 0001 Board Travel-Meals

6419 0002 Board Travel-Transportation

6419 0003 Board Travel-Conference Registration

#### Non-Employee Travel

Payment for or reimbursement to non employees for expenses incurred attending professional conferences and other travel allowed by Federal and State grants.

6419 0004 Non-Employee Travel-Lodging

6419 0005 Non-Employee Travel-Meals

6419 0006 Non-Employee Travel-Transportation

6419 0007 Non-Employee Travel-Conference Registration

6427 0000 Auto Insurance

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

1) Payment of all types of insurance for HCDE vehicles; called BUSINESS AUTO or AUTOMOBILE.

2) Premium overpayments get deposited here.

6428 0000 Liability Insurance

1) Payment of all liability insurance, NOT including vehicles; called GENERAL or SCHOOL PROFESSIONAL LIABILITY.

2) Premium overpayments get deposited here.

6429 0000 Property Insurance & Bonding

1) Payment of property insurance premiums covering buildings, equipment, and any other property requiring insurance to safeguard the district's assets; called PROPERTY & CASUALTY, FLOOD INSURANCE.

2) Also bonding insurance costs for employees who deal with large sums of money; called BONDING, CRIME, COMMERCIAL CRIME, or E & O COVERAGE.

3) Premium overpayments get deposited here.

6427 0001 Insurance Deductibles-Auto

Payments to insurance company for policy deductibles.

6428 0001 Insurance Deductibles-Liability

Payments to insurance company for policy deductibles.

6429 0001 Insurance Deductibles-Property

Payments to insurance company for policy deductibles.

6487 0000 Facility Support Charges

Charged to divisions based on square footage used or individual facility campus budget

**FOR BUSINESS SERVICES USE ONLY. DO NOT AMEND.**

6488 0000 Respite Care

**USED BY ECI KEEP PACE PROGRAM ONLY.**

6489 0000 In Kind-Donated Services/Supplies

For recording any in-kind services and supplies received by the Head Start program.

6491 0000 Records Management Fees

Recording records storage fees charged to budgets by Records Management Services.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

- 6492 0000 Permits & Fees  
Payment of various fees required for maintaining the facilities.
- 6493 0000 Expenditures-Shared Service Arrangements  
Payments for reimbursement of expenses incurred by school districts participating in a shared services arrangement with HCDE.  
**FEDERAL OR STATE GRANTS ONLY.**
- 6494 0000 Workshop Registration Fees  
Payment of local workshop and registration fees. Use 6414 for out of town workshop and registration fees.
- 6495 0000 Awards Recognition  
Payments for plaques and other types of awards given to employees as service awards, incentive awards and retirement awards, for example.  
Included here is the \$25 per employee recognition per fiscal year.
- 6496 0000 Advertising, Bids & Notices  
Purchase of newspaper space to post bid notices, employment openings, and any other type of advertising.
- 6497 0000 Membership Dues  
Payment of membership and organization dues and fees such as TASBO, TASA, TASB, etc.
- 6498 0000 Postage  
Recording postage costs.
- 6499 0000 Miscellaneous Operating Costs  
Payment of anything else not covered in the above 64XX series.  
**Debt Service Costs 65XX-XXXX**
- 6511 0000 Bond Principal  
Payment to retire bond principal.
- 6519 0000 Debt Principal  
Payment to retire debt principal other than in 6511 above.
- 6520 0000 Bond Interest

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

Payment of bond interest.

6529 0000 Interest Expense

Payment of interest other than in 6520 above.

6599 0000 Other Debt Service Fees

Payment of allowable fees related to debt service activity, including fiscal agent fees.

### Capital Outlay 66XX-XXXX

6611 0000 Land Purchases

Payment made for land purchases acquired by HCDE.

6619 0000 Land Improvements

Payment of land purchase, land improvement other than buildings and associated fees, including costs necessary to alter the land for its intended use.

6621 0000 Buildings-Materials Other Than Construction

Pay for supplies & materials not directly associated with building improvements.

6622 0000 Building Construction-Architect Fees

Pay for architect fees associated with building renovations or erecting a building.

6623 0000 Building Construction-Demolition

Pay for building demolition associated with the purchase of a previously owned building.

6627 0000 Building Construction-Fees

Pay for permit fees and other fees associated with building a new building or renovations made to a purchased building.

6628 0000 Construction in Progress

Expenditures of an on-going construction project not to be recognized as a capital asset until completion.

6629 0000 Building Purchase, Construction & Improvements

Purchase of a building or for materials and labor to construct a new building, including expenditures for substantial alteration or remodeling of existing buildings that materially increases the building life and/or usefulness. Also, architect fees and any other fees associated with building construction or purchase.

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

6631 0000 Vehicle Purchase >\$5,000  
Purchase of vehicles over \$5,000 unit cost and a useful life of more than one year.

6635 0000 Equipment Purchase >\$5,000  
Purchase of equipment over \$5,000 unit cost and a useful life of more than one year, including telephone systems, intercommunication and telecommunication systems, high-capacity copiers and large sized equipment.

6636 0000 Technology Purchase >\$5,000  
Purchase of technology equipment over \$5,000 unit cost and a useful life of more than one year, including mainframes and mini-computers.

6639 0000 Other Equipment Purchase >\$5,000  
Purchase of all other types of equipment over \$5,000 unit cost not listed in the 663X series. Also includes the purchase of mainframe computer software applications, such as a financial software package needed for accounting.

6644 0000 Replacement-Equipment >\$5,000  
Purchase of replacement equipment over \$5,000 unit cost.

**FUND BALANCE RESERVE: BUDGET ACCESS BY BUSINESS SERVICES ONLY**

6645 0000 Replacement-Buildings >\$5,000  
Replacement of buildings over \$5,000 unit cost.

**FUND BALANCE RESERVE: BUDGET ACCESS BY BUSINESS SERVICES ONLY**

6646 0000 Replacement-Technology Equipment >\$5,000  
Purchase of replacement technology equipment over \$5,000 unit cost.

**FUND BALANCE RESERVE: BUDGET ACCESS BY BUSINESS SERVICES ONLY**

6647 0000 Replacement-Vehicles >\$5,000  
Purchase of replacement vehicles over \$5,000 unit cost.

**FUND BALANCE RESERVE: BUDGET ACCESS BY BUSINESS SERVICES ONLY**

6648 0000 Replacement-Furniture >\$5,000  
Purchase of replacement furniture over \$5,000 unit cost.

**FUND BALANCE RESERVE: BUDGET ACCESS BY BUSINESS SERVICES ONLY**

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Expenditure Codes with Descriptions

This is the list of account codes customized for use in HCDE only. There is a more comprehensive listing of account codes and definitions from TEA also available on the P Drive.

6649 0000 Replacement-Other Items >\$5,000

Purchase of any other replacement items not listed above in the 664X series.

**FUND BALANCE RESERVE: BUDGET ACCESS BY BUSINESS SERVICES ONLY**



**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
**FY 2019 Function Codes**

<b>CODE</b>	<b>TITLE</b>
11	Instruction
12	Instructional Resources and Media Services
13	Curriculum Development and Instructional Staff Development
21	Instructional Leadership
23	School Leadership
31	Guidance, Counseling and Evaluation Services
32	Social Work Services
33	Health Services
35	Food Services
41	General Administration
51	Plant Maintenance and Operations
52	Security and Monitoring Services
53	Data Processing Services
61	Community Services
62	School District Administrative Support Services
71	Debt Service
81	Facilities Acquisition and Construction
93	Payments to Fiscal Agent/Member Districts of Shared Services Arrangements
99	Other Intergovernmental Charges

**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
**FY19 Budget Manager Codes**

RESPONSIBLE	BM CODE	HR	FUND	BUDGET NAME	BUDGET MANAGER
James Colbert, Jr.	001		199	Superintendent's Office	James Colbert, Jr.
James Colbert, Jr.	010		199	Board of Trustees	James Colbert, Jr.
Kimberly McLeod	012		199	Assistant Superintendent for Education and Enrichment	Kimberly McLeod
Kimberly McLeod	005		199	Center for Safe and Secure Schools	Ecomet Burley
Kimberly McLeod	014		199	Educator Certification and Professional Advancement	Lidia G. Zatopek
Kimberly McLeod	201		199	Adult Education	Stephanie Ross
Kimberly McLeod	923		199	Center for Grants Development	Gayla Rawlinson-Maynard
Kimberly McLeod	924		199	Research and Evaluation	Darlene Breaux
Kimberly McLeod	109		199	TLC - Digital Learning & Instructional Technology	Frances Watson-Hester
Kimberly McLeod	190		199	TLC - Digital Education & Innovation	Frances Watson-Hester
Kimberly McLeod	301		199	TLC - Instructional Support Services - Division Wide	Frances Watson-Hester
Kimberly McLeod	302		199	TLC - Math	Frances Watson-Hester
Kimberly McLeod	303		199	TLC - Science	Frances Watson-Hester
Kimberly McLeod	304		199	TLC - Bilingual Education	Frances Watson-Hester
Kimberly McLeod	307		199	TLC - English Language Arts	Frances Watson-Hester
Kimberly McLeod	308		199	TLC - Social Studies	Frances Watson-Hester
Kimberly McLeod	309		199	TLC - Early Childhood Winter Conference	Frances Watson-Hester
Kimberly McLeod	312		199	TLC - Scholastic Arts and Writing Program	Frances Watson-Hester
Kimberly McLeod	313		199	TLC - Special Education	Frances Watson-Hester
Kimberly McLeod	314		199	TLC - Speaker Series	Frances Watson-Hester
Kimberly McLeod	315		199	TLC - Professional Development	Frances Watson-Hester
Danielle Bartz	094		199	Chief of Staff	Danielle Bartz
Danielle Bartz	920		199	Education Foundation	Danielle Bartz
Danielle Bartz	922		199	Cooperative for After School Enrichment (CASE)	Lisa Thompson Caruthers
Richard Vela	083		799	Facilities Support Services	Richard Vela
Richard Vela	084		799	Facilities Maintenance	John Prestigiacomo
Richard Vela	086		199	Facilities Construction (Location 079)	Vacant
Richard Vela	087		199	Local Construction	Vacant
Richard Vela	088		199	Facilities & Technology Replacement Asset Schedule	Danielle Clark
Richard Vela	954		199	Records Management Services	Curtis W. Davis
Richard Vela	089		711	Choice Facility Partners	Jeffrey Drury
Richard Vela	951		711	Choice Partners - Purchasing Co-Op	Jeffrey Drury
Richard Vela	955		711	Choice Partners - Gulf Coast Food (Purchasing) Co-op	Jeffrey Drury
Jesus Amezcua	050		199	Business Support Services	Rosa Maria Torres

**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
**FY19 Budget Manager Codes**

RESPONSIBLE	BM CODE	HR	FUND	BUDGET NAME	BUDGET MANAGER
Jesus Amezcua	052		599	Debt Service	Jesus J. Amezcua / Rosa Maria Torres
Jesus Amezcua	053		199	ISF - Workers Comp	Jesus J. Amezcua / Rosa Maria Torres
Jesus Amezcua	098		199	Department Wide	Jesus J. Amezcua / Rosa Maria Torres
Jesus Amezcua	099		190	Retirement Leave Benefits Fund	Natasha Truitt
Jesus Amezcua	101		199	State TRS On Behalf Payments	Rosa Maria Torres
Jesus Amezcua	102		199	State TEA Employee Portion Health Insurance	Rosa Maria Torres
Jesus Amezcua	103		199	State TEA Supplemental Compensation	Rosa Maria Torres
Jesus Amezcua	950		199	Purchasing Support Services	Bill Monroe
Danielle Clark	088		199	Facilities Asset Replacement Schedule	Vacant
Danielle Clark	090		199	Technology Support Services	Vacant
Danielle Clark	092		199	Client Engagement	Stephanie de los Santos
Danielle Clark	093		199	Chief Communications Officer	Danielle Clark
Danielle Clark	925		199	Communications and Public Information	Tammy Lanier
Natasha Truitt	030		199	Human Resources	Natasha Truitt
Jonathan Parker	011		199	Assistant Superintendent Academic Support Services	Jonathan Parker
Jonathan Parker	111		199	Special Education Therapy Services	Carie Crabb
Jonathan Parker	901		205	Head Start / Early Head Start (Also Funds 205, 206, 214, 215, 216 and others)	Venetia L. Peacock
Jonathan Parker	501		199	Special Schools Administration	Anthony Mays
Jonathan Parker	131		199	ABS East	Keith Oliphant
Jonathan Parker	132		199	ABS West	Victor Keys
Jonathan Parker	970		199	Highpoint East	Marion Cooksey
Jonathan Parker	800		199	Fortis Academy - (Recovery School)	Anthony Moten

## **HCDE Fund Codes**

### **100 - GENERAL FUND**

#### **199 General Fund**

### **200 - FEDERAL GRANTS**

- 205 Head Start
- 206 Head Start Training
- 215 Early Head Start Operation
- 216 Early Head Start T&TA
- 223 Temporary Assistance for Needy Families
- 230 Adult Basic Education (ABE) Regular
- 234 ABE EL/Civics
- 266 TX 21st Century Grant Cycle 8
- 267 TX 21st Century Grant Cycle 9
- 288 CASE After School Partnership

### **300 - STATE GRANTS**

- 381 Adult Basic Education Regular
- 382 Temporary Assistance to Needy Families

### **400 - LOCAL GRANTS**

- 463 Houston Endowment Grant
- 467 CASE - City of Houston
- 475 Early Head Start in Kind
- 479 Head Start In-Kind

### **400 - LOCAL GRANTS - Cont.**

- 496 Head Start Hogg Grant
- 498 EFHC Local Grants

### **500 - DEBT SERVICE**

- 599 Debt Service

### **600 - CAPITAL PROJECTS FUND**

- 695 Capital Projects
- 697 Capital Projects

### **700 - INTERNAL SERVICE FUNDS**

- 711 Choice Partners-Enterprise Fund
- 753 Workers Compensation
- 799 Facility Support Services

### **800 - TRUST AND AGENCY FUNDS**

- 811 Highpoint-East Activity Funds
- 814 Highpoint-North Activity Funds
- 815 Courtesy Committee
- 829 Blair Endowment-Scholastic Program

### **900 - ACCOUNT GROUPS**

- 901 General Capital Assets
- 902 PFC Capital Assets
- 903 Long Term Debt
- 904 PFC Long Term Debt

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## FY 2019 Location Codes

BM CODE	BUDGET NAME	LOCATION CODE
001	Superintendent's Office	001
005	Ctr for Safe and Secure Schools	005
010	Board of Trustees	010
011	Asst Superintendent - Academic	011
012	Asst Superintendent - Educational	012
014	Educator Certification	014
030	Human Resources	030
050	Business Support Services	050
052	Debt Service	052
083	Facilities Support Services	070
089	Job Order Contracts-also CFP	070
083	Facilities-Central Support	071
083	Facilities-Caplin Warehouse	078
086	Facilities-Construction	079
083	Facilities-Risk Management	080
083	Facilities-Irvington Warehouse	083
083	Facilities-Melbourne Warehouse	084
088	Facilities-Building Replace Schedule	088
083	Facilities-North Post Oak	089
090	Technology Support Services	090
091	Digital Learning and Instr Technology	091
092	Marketing Services	092
093	Chief Information Officer	093
094	External Relations Officer	094
095	QZAB and Maint Tax Notes Fund	095
098	Department Wide	098
099	Retirement Leave Benefits	099
101	State TRS On Behalf Payments	101
102	State TEA Emp Portion Health Ins	102
103	State TEA Supplemental Comp	103
111	Special Education Therapy Services	111
301	TLC - Division Wide	301
302	TLC - Math	302
303	TLC - Science	303
304	TLC - Bilingual Education	304
306	TLC - Early Childhood	306
307	TLC - English Language Arts	307

Business Services Reserves the following:

Admin Bldg-6300 Irvington	071
Warehouse	666

BM CODE	BUDGET NAME	LOCATION CODE
308	TLC - Social Studies	308
309	TLC - EC Winter Conference	309
312	Scholastic Arts and Writing Program	312
313	TLC - Special Education	313
314	TLC - Speaker Series	314
315	TLC - Professional Development	315
501	Special Schools Administration	501
131	ABC-East	601
084	Facilities-ABC East	601
132	ABC-West	602
084	Facilities-ABC West	602
800	Fortis Academy	605
084	Facilities-Highpoint East	607
970	Highpoint-East	607
901	Head Start-Irvington	610
901	Head Start-Sheffield Center	611
901	Head Start-Tidwell Center	612
901	Head Start-Coolwood Center	621
901	Head Start-Humble Center	631
901	Head Start-Compton Center	641
901	Head Start-Dogan Center	642
901	Head Start-Fifth Ward Center	643
901	Head Start-Barrett Station Center	644
901	Head Start-Pugh Center	646
901	Head Start-Baytown Center	651
901	Head Start-J D Walker Center	652
901	Head Start - Channelview	657
901	Head Start - San Jacinto	658
901	Head Start-La Porte Center	661
901	Head Start - Fonwood	663
083	Facilities-Print Shop Crosstimbers	670
083	Facilities-RMS-Crosstimbers	671
954	Records Management Services	671
201	Adult Education	672
083	Facilities-Adult Education	672
920	Education Foundation	920
922	Co-op for After School Enrichment	922
923	Resource Development	923
924	Research and Evaluation	924
925	Comm and Public Information	925
926	TX Center for Grants Development	926
927	Research Institute of Texas	927
950	Purchasing Support Services	950
951	Purchasing Co-op	951
955	Gulf Coast Food Cooperative	955
087	Facilities-Local Construction	VARIOUS

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Revenue Codes

### Other Resources & Operating Transfers In

5615 0000 Operating Transfers In  
5649 0000 Other Resources

### Local Revenues-Tax Revenues

5711 0000 Current Tax Revenues  
5711 0099 Distribution Current Tax Rev.  
5712 0000 Delinquent Tax Revenues  
5713 0000 Taxes - Special Assessments  
5717 0000 Payment in Lieu of Taxes  
5718 0000 Revenue - Misc. Collections  
5719 0000 Tax Penalties & Interest

### Local Revenues-Tuition & Fees from School Districts

5725 0000 Tuition-Schools-In County  
5725 0001 Tuition-Schools-Out of County  
5726 0000 Fees for Svcs-In County  
5726 0001 Fees for Svcs-Out of County  
5726 0002 Storage Fees  
5726 0003 Storage Fees - Out of County  
5726 0004 Elec Vault Fees - In County  
5726 0005 Elec Vault Fees - Out of County  
5726 0007 CASE Training Revenues  
5726 0009 Revenue - GEMS  
5726 0065 Loc Revenue - Lone Star CC Proj  
5726 0080 Fees - HC Plus  
5727 0000 Staff Development-In County  
5727 0001 Staff Development-Out of County  
5728 0000 Vendor Participation Fees  
5728 0002 GCC Food Co-op Expo  
5728 0003 Catalog Discount Program  
5728 0004 Participation Fees - ISD's  
5728 0006 Participation Fees - Other  
5728 0007 Supply Catalog  
5728 0014 Partic. Fees - ISD's Out County  
5728 0016 Partic. Fees - Other Out County  
5728 0150 Contracted Services - ISD's  
5729 0000 Misc Tuit & Fees-In County  
5729 0001 Misc Tuit & Fees-Out of County  
5729 0003 Digitizing Fees - In County  
5729 0004 Digitizing Fees - Out of County  
5729 0005 Membership Fees - RMS  
5729 0006 Membership Fees - Out of County  
5729 0150 Contracted Services - Other

### Local Revenues-Tuition & Fees from Entities

#### Other than School Districts

5736 0000 Fees for Services  
5737 0000 Staff Developmnt Revenues  
5739 0000 Misc Tuition & Fees Revenues

### Local Revenues-Other Revenues

5742 0000 Bank Deposit Earnings  
5742 0001 Investment Pool Earnings  
5742 0002 Investment Security Revenues  
5743 0000 Rental Revenues  
5744 0000 Gifts & Donations  
5744 0038 Loc-Gifts & Donations-SF  
5745 0000 Insurance Recovery  
5748 0000 In Kind Revenue  
5748 0001 In-Kind-HS Healthy Livin  
5749 0000 Other Local Revenues  
5749 0007 Product Exhibit  
5749 0008 Supply Boxes In-County  
5749 0011 Loc Rev-Refunds Prior Yr  
5749 0015 Supply Boxes Out-County  
5759 0000 Workers Comp Contributio

### Local Revenues-Local Grants

5797 0000 Interdepartmental Revenue  
5798 0000 Local Grant  
5798 0067 Local Grant - EFHC - Ecobot  
5798 0601 Local Grant - HS Supermentor  
5798 0652 Local Grant - HS JD Walker  
5799 0000 Local Indirect Cost  
5799 0002 Local Ind Cost - Houston Endowment  
5799 0003 Local IC Hogg Foundation

### State Revenues

5812 0000 State Rev-Found Schl Prog-Comp  
5829 0000 State Rev-TEA Distributed  
5831 0000 TRS On-Behalf Payments  
5832 0000 TRS Active Care Supplemental  
5839 0000 State Rev-State Agency Distributed  
5899 0001 State-Ind Cost-Grants  
5899 0099 Ind Cost Distribute Offs

### Federal Revenues

5929 0000 Fed Rev-TEA Distributed  
5932 0000 Medicaid Adm Claim (MAC)-ECI  
5939 0000 Fed Rev-State Agency Distributed  
5949 0000 Fed Rev-U.S. Govt Direct  
5949 0001 Fed Revenue-USDA  
5999 0001 Ind Cost-Fed Adult Ed Reg  
5999 0006 Ind Cost-HS Jan-Aug  
5999 0007 Ind Cost-HS Sept-Dec  
5999 0008 Ind Cost-Adult Ed TANF  
5999 0023 Ind Cost-21st Century Cycle 8  
5999 0035 IC Adult Ed TWC Grant  
5999 0042 IC-21st Century Cycle 9  
5999 0099 Ind Cost - Distrib Offset  
5999 0106 IC-EHS/CCP Jan-Aug DHHS  
5999 0107 IC-EHS/CCP

# HARRIS COUNTY DEPARTMENT OF EDUCATION

## Revenue Codes

### Other Resources & Operating Transfers In

5614 0000 Loan Proceeds  
5615 0000 Operating Transfers In  
5649 0000 Other Resources

### Local Revenues-Tax Revenues

5711 0000 Current Tax Revenues  
5712 0000 Delinquent Tax Revenues  
5713 0000 Taxes-Special Assessments  
5714 0000 HCTO Tax Coll Fee Offset  
5719 0000 Tax Penalties & Interest

### Local Revenues-Tuition & Fees from School Districts

5725 0000 Tuition-Schools-In County  
5725 0001 Tuition-Schools-Out of County  
5726 0000 Fees for Svcs-In County  
5726 0001 Fees for Svcs-Out of County  
5727 0000 Staff Development-In County  
5727 0001 Staff Development-Out of County  
5728 0000 Vendor Participation Fees  
5728 0002 GCC Food Co-op Expo  
5729 0000 Misc Tuit & Fees-In County  
5729 0001 Misc Tuit & Fees-Out of County

### Local Revenues-Tuition & Fees from Entities

#### Other than School Districts

5734 0000 Tuition-Adult Education  
5736 0000 Fees for Services  
5737 0000 Staff Developmnt Revenues  
5738 0000 Vendor Member Fees  
5739 0000 Misc Tuition & Fees Revenues

### Local Revenues-Other Revenues

5742 0000 Bank Deposit Earnings  
5742 0001 Investment Pool Earnings  
5742 0002 Investment Security Revenues  
5742 0003 Market Gains & Losses  
5743 0000 Rental Revenues  
5744 0000 Gifts & Other-Non Profits  
5745 0000 Insurance Recovery  
5748 0000 In Kind Revenue  
5749 0000 Other Local Revenues

### Local Revenues From Intermediate Sources

5769 0000 Rev-Local Govt O/T ISDs

### Local Revenues-Local Grants

5798 0000 Local Grant  
5799 0000 Local Indirect Cost  
5799 0001 Local Ind Cost-Peer Mediation  
5799 0002 Local Ind Cost-Houston Endowmer

### State Revenues

5812 0000 State Rev-Found Schl Prog-Comp  
5819 0000 State Rev-Other Found Schl-TEA  
5829 0000 State Rev-TEA Distributed  
5831 0000 TRS On-Behalf Payments  
5832 0000 TRS Active Care Supplemental  
5832 0001 TEA Ins-Employee Portion  
5839 0000 State Rev-State Agency Distributer  
5849 0000 State Rev-Shared Services  
5899 0001 State-Ind Cost-Grants

### Federal Revenues


5919 0000 Fed Rev-Other Govts  
5929 0000 Fed Rev-TEA Distributed  
5932 0000 Medicaid Adm Claim (MAC)-ECI  
5939 0000 Fed Rev-State Agency Distributed  
5949 0000 Fed Rev-U.S. Govt Direct  
5959 0000 Fed Rev-Shared Services  
5999 0000 Federal Indirect Cost  
5999 0001 Ind Cost-Fed Adult Ed Reg  
5999 0005 Ind Cost-TEA Learns Contract  
5999 0006 Ind Cost-HS Jan-Aug  
5999 0007 Ind Cost-HS Sept-Dec  
5999 0008 Ind Cost-Adult Ed TANF  
5999 0010 Ind Cost-CASE Partnership-TWC  
5999 0016 Ind Cost-Tx Learns Even Star  
5999 0017 Ind Cost- TX Learns Prog Improv  
5999 0021 Ind Cost-Americorps One Star  
5999 0023 Ind Cost-21st Century Cycle 8  
5999 0025 Ind Cost-21st Century Cycle 5  
5999 0032 Ind Cost-21st Century Cycle 6  
5999 0037 Ind Cost-21st Century Cycle 7  
5999 0038 Ind Cost-ACP Grant  
5999 0039 Ind Cost-Lunar Planetary  
5999 0041 Ind Cost USRA LPI-Science  
5999 0099 Ind Cost - Distrib Offset

## **Compliance**

The Compliance Officer is responsible for:

- Ensuring that HCDE is in compliance with written procedures; board policies; local, state, and federal laws; and regulations.
- Ensuring that HCDE internal controls are comprehensive and effective and that the written procedures are updated as necessary and followed throughout the Department;
- Ensuring that HCDE stays current and in compliance with all taxing responsibilities involving equalization tax revenues and the payment of applicable local and state taxes.



	<p align="center"><b>ACCOUNTING PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference: <a href="#">CAA Local</a></p>
<p>DATE DEVELOPED: 5/15/2009</p>	<p>REVISED DATE: 3/29/10</p>	
<p>SUBJECT: INTERNAL CONTROLS</p>		

### **Purpose**

To provide guidelines for HCDE organization-wide internal controls.

### **Procedure**

Internal controls have been established by Harris County Department of Education financial management to provide reasonable assurance that assets of HCDE are being properly safeguarded, financial records are fairly and accurately maintained, and governing statutes and policies are correctly followed. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state, and local grant funding, HCDE is also responsible for ensuring that an adequate internal control structure is in place to guarantee and document compliance with applicable laws and regulations related to these programs.

Each year the Harris County Department of Education is audited by an independent audit firm. The firm looks at sample financial transactions from the fiscal year under audit, the internal controls in place, and the annual financial report. Transactions are sampled to ascertain whether accounting processes and procedures are being followed correctly and consistently. Internal controls are reviewed to determine if they adequately and effectively safeguard the assets (financial, physical and human assets) of the Department. The audit report is reviewed to ensure that it is free from material misstatements and that the financial results at fiscal yearend are fairly presented.

As part of the HCDE single audit, tests are made of its internal control structure and its compliance with applicable laws and regulations, including those related to federal financial assistance programs.

Purchases of fixed assets are controlled by purchasing procedures, and the safekeeping of fixed assets is controlled by inventory procedures.

## Fraud Prevention Model and Awareness Program

In reaction to accounting scandals at Enron, WorldCom, Tyco, etc., the American Institute of Certified Public Accountants' (AICPA) Auditing Standards Board issued Statement of Auditing Standard, No. 99 (SAS #99): CONSIDERATION OF FRAUD IN A FINANCIAL STATEMENT AUDIT in October 2002 and it became effective for audits of financial statements for periods beginning on or after December 15, 2002.

SAS #99 requires the auditor to gather information necessary to identify risks of material misstatement due to fraud by the following:


- Making inquiries of management and others within HCDE
- Considering the results of analytical procedures performed in planning the audit
- Considering FRAUD risk factors
- Considering certain other information

**The HCDE Fraud Prevention Model and Awareness Program** supports SAS #99 by communicating to management and others an awareness and understanding of fraud, and educating management about fraud and the types of controls that will deter and detect fraud.

The Business Office alone cannot prevent and/or detect all the types of fraud that may be perpetrated within the Department. It takes all HCDE employees being aware and being knowledgeable that fraud could occur to possibly prevent fraud from occurring or even detecting a fraud that has occurred.

All personnel, especially management personnel, have the responsibility to (1) safeguard HCDE assets: financial, physical, and human, and to (2) be aware of the risks of fraud. This Program is a great way to bring awareness to management personnel of their responsibilities in this area. This Program is also one of the ways the independent auditors have to evaluate HCDE internal controls.

**The HCDE Risk Awareness Process** provides an organization-wide process to address internal control and risk-based standards and to satisfy an audit requirement per Statement of Auditing Standards No. 115. Communicating Internal Control Related Matters, from the AICPA.

	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference: <a href="#">CE Local</a> <a href="#">CFC Legal</a>
DATE DEVELOPED: 5/15/2009	REVISED DATE: 3/29/10	
SUBJECT: AUDIT		

### **Purpose**

To provide guidelines for the performance of an annual independent financial audit.

### **Procedure**

#### **Requirements**

Harris County Department of Education is required by State and federal law [and local board policy](#) to perform an annual audit. The audit shall be a financial audit (as distinguished from a performance audit). Financial statement audit is performed to determine whether the financial statements present fairly the financial position, results, of operations, and cash flows or changes in financial position of HCDE, and whether HCDE has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements. The Business Services Division prepares a Comprehensive Annual Financial Report (“CAFR”) to satisfy this requirement. The purpose of the report is to provide the Board of Trustees, management, staff, grantor agencies, citizens, the business community, and other interested parties with detailed information reflecting the Department’s financial condition. This report is prepared in accordance with Generally Accepted Accounting Principles and reporting standards as promulgated by the Governmental Accounting Standards Board.

A single audit must be performed in all instances when HCDE expends \$750,000 or more from federal awards. Financial related audits (including “single audit”) include determining if the financial information is presented in accordance with established or stated criteria, if HCDE has adhered to specific financial compliance requirements, and if HCDE internal controls over financial reporting and safeguarding assets is suitably designed and implemented to achieve the control objective.

#### **Frequency**

State law requires the annual financial report to be completed within 180 days after the fiscal year end. The HCDE year end is August 31.

## Funding

Audit costs are paid from local funds.

## Selection of Audit Services

Several factors besides price are to be considered when HCDE selects an independent external auditor, including the experience of the proposer, availability of staff with the appropriate qualifications, and the results of the proposer's external quality control ("peer") reviews. The selection process should consist of re-engaging the prior-year auditor or seeking new auditors through the request for proposal process. Before entering into an agreement with HCDE, the proposer may request to survey the financial records and/or have discussions with management to identify issues or problem areas which may affect the performance of the audit.

## Engagement Letter

Prior to the engagement, the HCDE Board of Trustees require the auditors to provide a written proposal or an engagement letter. An engagement letter is an annual written agreement that is binding upon both HCDE and the public accounting firm. It is intended to set forth the terms for the current year's audit. The engagement letter should be an integral part of the auditor's file and will be attached to or referred to in the board minutes concerning auditor selection.

## Audits Conducted by GAAS and GAGAS

Auditing standards provide measures of quality that can be used to judge the effectiveness of the tests and procedures used to meet the audit objectives. Standards for traditional financial audits are known as generally accepted auditing standards (GAAS) and are promulgated by the American Institute of Certified Accountants through the Auditing Standards Board. Supplemental standards for financial audits of governments, as well as standards for public sector performance auditing, have been established by the U. S. General Accounting Office in its publication *Government Auditing Standards*, commonly referred to as 'the Yellow Book.'


These standards form generally accepted government auditing standards (GAGAS). While GAAS and GAGAS are fundamentally similar, GAGAS goes beyond GAAS in setting additional standards for public sector audits. When an auditor performs a financial audit in accordance with GAGAS, the engagement letter should specify this requirement. When auditors are engaged to perform a single audit (in accordance with the Single Audit Act Amendments of 1996), they must perform the audit in accordance with GAGAS in addition to GAAS.

### Performing the Audit

The external auditor will be appointed as far in advance as possible of the close of the fiscal year to be audited. An understanding should be reached regarding the scope of the audit (which must meet applicable professional standards and requirements of the HCDE board). After an agreement is reached, the auditor will be granted as much latitude as necessary to assure that records are in order, that the accounting system meets required standards, and that proper internal controls are in place.

### Audit Work Papers

Federal law requires the retention of audit work papers for three years. U.S. Department of Education regulations require retention of supporting documentation for federal programs for at least five years. Thus, HCDE will require their auditors to retain their audit work papers for at least five years. This requirement should be included in the engagement letter. Although the work papers are subject to review by auditors from the General Accounting Office and other applicable governmental agencies, they are not otherwise considered to be records open to the general public.

	<div>ACCOUNTING PROCEDURES</div> <div>HARRIS COUNTY DEPARTMENT OF EDUCATION</div>	Reference: <a href="#">CCG Legal</a> <a href="#">CCG Local</a> <a href="#">CE Local</a>
DATE DEVELOPED: 5/15/2009		REVISED DATE: 3/29/10
SUBJECT: PROPERTY TAX		

### **Purpose**

To provide an overview of property appraisal, levying the tax rate and the assessment and collection of property taxes for the purpose of education equalization.

### **Procedures**

#### **Tax Code and County-Wide Appraisal Department**

The Texas Tax Code ("Tax Code"), Title 1. Property Tax Code provides for county-wide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district and an appraisal review board responsible for appraising property for all taxable units within the county. The Harris County Appraisal District ("HCAD") is responsible for appraising property within Harris County, Texas, generally as of January 1 of each year. The appraisal values set by HCAD are subject to review and change by the Appraisal Review Board. Such appraisal rolls and estimated tax revenues, as approved by the Appraisal Review Board, are used by the Department in establishing its tax rate.

#### **Property Subject to Taxation by the Department**

Except for certain exemptions provided by Texas law, all real and certain tangible personal property with a tax status within the Department's taxing authority, which is Harris County, Texas, is subject to taxation by the Department. Principal categories of exempt property (including certain exemptions which are subject to local option by the Board of Trustees) include:

- property owned by the State of Texas or its political subdivisions if the property is used for public purposes;
- property exempt from ad valorem taxation by federal law;
- certain improvements to real property and certain tangible personal property located in designated reinvestment zones on which the Department has agreed to abate ad valorem taxes;
- so-called "Freeport property" including property detained within the Department's taxing authority for up to 175 days for purpose of assembly or other processing;

- certain household goods, family supplies and personal effects;
- farm products owned by the producers;
- certain property of a nonprofit corporation used in scientific research and educational activities benefiting a college or university;
- designated historic sites;
- tangible personal property not held or used for production of income;
- solar and wind powered energy devices;
- most individually owned automobiles;
- an exemption from \$5,000 up to \$12,000 for property owned by disabled veterans or the surviving spouses or children of a deceased veteran who died while on active duty in the armed forces; and
- certain classes of intangible property.

A constitutional amendment was approved by the voters on November 6, 2007, that authorizes the Texas Legislature to enact legislation to reduce the frozen amount of taxes for taxpayers 65 years of age or older and the disabled, so that the frozen tax amount will be proportionate to the reduction in local ad valorem taxes under the Reform Legislation. Legislation to implement the constitutional amendment has been passed by the 80th Legislature and signed by the Governor. Owners of agricultural and open space land, under certain circumstances, may request valuation of such land on the basis of productive capacity rather than market value.

A city or a county may create a tax increment financing district ("TIF") within the city or county, as applicable, with defined boundaries and establish a base value of taxable property in the TIF at the time of its creation. Overlapping taxing units may agree with the city or county to contribute all or part of future ad valorem taxes levied and collected against the "incremental value" (taxable value in excess of the base value) of taxable real property in the TIF to pay or finance the costs of certain public improvements in the TIF, and such taxes levied and collected for and on behalf of the TIF are not available for general use by such contributing taxing units.

Article VIII, Section 1-j of the Texas Constitution provides for an exemption from ad valorem taxation for "Freeport property," which is defined as goods detained in the state for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication. Taxing units that took action prior to April 1, 1990 may continue to tax Freeport property and decisions to continue to tax Freeport property may be reversed in the future. However, decisions to exempt Freeport property are not subject to reversal.

Article VIII, Section 1-n of the Texas Constitution provides for the exemption from taxation of "goods-in-transit." "Goods-in-transit" is defined by a provision of the Tax Code, which is effective for tax years 2008 and thereafter, as personal property acquired or imported into Texas and transported to another location in the State or outside of the State within 175 days of the date the property was acquired or imported into Texas. The exemption excludes oil, natural gas, petroleum products, aircraft and special inventory, including motor vehicle, vessel and out-board motor, heavy

equipment and manufactured housing inventory. The Tax Code provision permits local governmental entities, on a local option basis, to take official action by January 1 of the year preceding a tax year, after holding a public hearing, to tax goods-in-transit during the following tax year. A taxpayer may receive only one of the Freeport exemptions or the goods-in-transit exemptions for items of personal property.

### Residential Homestead Exemption

The Texas Constitution permits the exemption of certain percentages of the market value of residential homesteads from ad valorem taxation. The Constitution authorizes the governing body of each political subdivision in the state to exempt up to twenty percent (20%) of the market value of all residential homesteads from ad valorem taxation, and permits an additional optional homestead exemption for taxpayers 65 years of age or older and disabled persons.

The Department has granted an exemption of \$5,000 or 20%, whichever is greater, of the assessed value of the regular residence homesteads. Additionally, the Department has granted an additional exemption of the first \$160,000 of the assessed value of the resident homestead of persons disabled OR over 65 years of age.

### Valuation of Property for Taxation

Generally, property in the Department must be appraised by HCAD at 100% market value as of January 1 of each year. In determining the market value of property, different methods of appraisal may be used, including the cost method of appraisal, the income method of appraisal and market data comparison method of appraisal. The chief appraiser for HCAD determines the method to be used. Once an appraisal roll is prepared and finally approved by the Appraisal Review Boards, it is used by the Department in establishing its tax rate. Appraisals under the Tax Code are based on one hundred percent (100%) of market value, except as described below, and no appraisal ratio can be applied.

State law further limits the appraised value of a residence homestead for a tax year to an amount not to exceed the lesser of (1) the market value of the property or (2) 110% of the appraised value of the resident homestead for the preceding tax year plus the market value of all new improvements to the property. The Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its fair market value. Landowners wishing to avail themselves of the agricultural use designation must apply for the designation, and the appraiser is required by the Tax Code to act on each claimant's right to the designation individually. If a claimant receives the designation and later loses it by changing the use of the property or selling it to an unqualified owner, the Department can collect taxes for previous years based on the new value, including three years for agricultural use and five years for agricultural open-space land and timberland prior to the loss of the designation.



## Property Appraisals-Department and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units, including the Department, may appeal an order of the Appraisal Review Boards by filing a petition for review in district court within 45 days after notice is received that a final order has been entered. In such event, the property value in question may be determined by the court, or by a jury, if requested by any party, or through binding arbitration, if requested by the taxpayer. Additionally, taxing units may bring suit against HCAD to compel compliance with the Tax Code.

Also, if taxpayers believe the Department has not calculated and published the rates or other required information in good faith, they may ask a district court to stop the Department from adopting a tax rate until it complies with the law.

## Setting the Tax Rate

Section 26.05 of the Property Tax Code provides that the governing body of a taxing unit is required to adopt the annual tax rate for the unit before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, and a failure to adopt a tax rate by such required date will result in the tax rate for the taxing unit for the tax year to be the lower of the effective tax rate calculated for that tax year or the tax rate adopted by the taxing unit for the preceding tax year.

By each September 30 or as soon thereafter as practicable, the Harris County Department of Education Board of Trustees adopts a tax rate per \$100 taxable value for the current year. Before adopting its annual tax rate, a public meeting must be held for the purpose of adopting a budget for the succeeding year. A notice of public meeting to discuss budget and proposed tax rate must be published in the time.

HCDE adheres to the Texas Constitution and the Property Tax Code and complies with the guidance provided by the Texas Comptroller Public Accounts' *Truth-In-Taxation* guide with certain steps in adopting the tax rate, including calculating and setting its tax rate, holding the required series of Board of Trustee hearings, and publishing the required newspaper notices.

The tax rate may consist of two components: (1) "M & O" rate for funding of maintenance and operation expenditures, and (2) "I & S" interest and sinking rate for the payment of debt. The Department has an M & O tax rate; the Department does not currently have an I & S tax rate.

## Levy and Collection of Taxes

The Harris County Tax Assessor-Collector is responsible for the collection of taxes for Harris County Department of Education. By September 30 or the 60th day, whichever is later, after the Department receives the certified appraisal roll from the Harris County Appraisal District the Board of Trustees of the Department must set the tax rate based upon the valuation of property within the Department as of the preceding January 1. Taxes are due October 1 or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty from six percent (6%) to twelve percent (12%) of the amount of the tax, depending on the time of payment and accrued interest at the rate of one percent (1%) per month. If the tax is not paid by the following July 1, an additional penalty of up to twenty percent (20%) may be imposed by the Department.

The Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances. The Department, however, does not permit split payments and discounts are not allowed.

## Department's Rights in the Event of Tax Delinquencies

Taxes levied by the Department are a personal obligation of the owner of the property. The Department has no lien for unpaid taxes on personal property but does have a lien for unpaid taxes upon real property, which lien is discharged upon payment. On January 1 of each year, such tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed for the year on the property. The Department's tax lien is on parity with the tax liens of other such taxing units. A tax lien on real property taxes takes priority over the claims of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

Except with respect to taxpayers who are 65 years of age or older, at any time after taxes on property become delinquent, the Department may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the Department must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights, or by bankruptcy proceedings which restrict the collection of taxpayer debts.

## Tax Rate Limitations

The Department is authorized by law, pursuant to an election held in Harris County in 1937, to levy an annual tax upon all taxable property within its boundaries, within the limits prescribed by law, for the equalization of educational opportunities in Harris County and the payment of all administration expenses. The Department has levied such tax and ordered such tax to be assessed and collected on all taxable property in Harris County.

Under Article VII, Section 3 of the Texas Constitution, the Department may levy an ad valorem tax only if such tax has been approved by voters within the boundaries of the Department at an election. The Department's ad valorem tax was authorized pursuant to Chapter 18, Acts of the 44th Legislature (1935), and Article 2790e, Vernon's Texas Civil Statutes (codified as Chapter 18, Texas Education Code), and an election held within Harris County on April 3, 1937. Such tax is limited to \$.01 per \$100 of assessed valuation.

## Department Application of Tax Code


By law, for tax rate calculation and reporting purposes, Harris County Department of Education is a local government and is treated as a large county taxing agency.

HCDE adheres to the Texas Constitution and the Property Tax Code and complies with the guidance provided by the Texas Comptroller Public Accounts' *Truth-In-Taxation* guide with certain steps in adopting the tax rate, including calculating and setting its tax rate, holding the required series of Board of Trustee hearings, and publishing the required newspaper notices.

The Department has granted an exemption of \$5,000 or 20%, whichever is greater, of the assessed value of the regular residence homesteads. Additionally, the Department has granted an additional exemption of the first \$160,000 of the assessed value of the resident homestead of persons disabled OR over 65 years of age.

The Department does not tax non-business personal property. The Department does not permit split payments and discounts are not allowed. The Department does not tax Freeport property.

The Department has a Maintenance and Operations (M & O) tax rate; the Department does not have an Interest and Sinking (I & S) tax rate for the payment of debt.

	<p style="text-align: center;"><b>ACCOUNTING PROCEDURES</b></p> <p style="text-align: center;">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:  <a href="#">CAA Local</a>  <a href="#">CH Legal</a>  <a href="#">CH Local</a> </p>
<p>DATE DEVELOPED: 5/15/2009</p>	<p>REVISED DATE: 3/29/10</p>	
<p>SUBJECT: FRAUD PREVENTION MODEL AND AWARENESS PROGRAM</p>		

### **Purpose**

To provide guidelines for the annual program to safeguard assets and prevent fraudulent activity.

### **Procedure**

The American Institute of Certified Public Accountants' (AICPA) Auditing Standards Board (ASB) issued Statement of Auditing Standard, No. 99 (SAS #99): CONSIDERATION OF FRAUD IN A FINANCIAL STATEMENT AUDIT in October 2002 and it became effective for audits of financial statements for periods beginning on or after December 15, 2002.

SAS #99 defines FRAUD as an intentional act that results in a material misstatement in financial statements. There are **2 types of FRAUD** considered:

- 1) Misstatements arising from fraudulent financial reporting (e.g. falsification of accounting records); and
- 2) Misstatements arising from the misappropriation of assets (e.g. theft of assets or fraudulent expenditures).

SAS #99 requires the auditor to gather information necessary to identify risks of material misstatement due to FRAUD by the following:

- Making inquiries of management and others within HCDE
- Considering the results of analytical procedures performed in planning the audit
- Considering FRAUD risk factors
- Considering other information

The HCDE Fraud Prevention Model and Awareness Program supports SAS #99 by communicating to management and others an awareness and understanding of FRAUD, and educating management about FRAUD and the types of controls that will deter and detect FRAUD. The Business Office alone cannot prevent and/or detect all the types of FRAUD that may be perpetrated within the Department. It takes all HCDE employees being aware and being knowledgeable that FRAUD could occur to possibly prevent FRAUD from occurring or even detecting a FRAUD that has occurred.

All personnel, especially management personnel, have the responsibility to

- safeguard HCDE resources: financial, physical and human, and
- be aware of the risks of FRAUD.

This Program is a great way to bring awareness to management personnel of their responsibilities in this area. This Program is also one of the ways the independent auditors have to evaluate HCDE internal controls.

The HCDE Fraud Prevention Model and Awareness Program goes hand in hand with the Risk Awareness Program.


Responsibility of the Administrator in Charge:

1. Receive annual training from Business Services on how to establish internal controls
2. Provide training to internal staff
3. Conduct annual Risk Awareness Program
4. Document annual review
5. Safeguard Department assets
6. Maintain and monitor internal controls

Responsibility of Business Services:

1. Provide training to campuses and divisions on internal controls
2. Conduct risk awareness program Department-wide
3. Document annual reviews

The HCDE Fraud Prevention Model and Awareness Program document can be found on the HCDE website. Likewise, the Risk Awareness Program can be found on the HCDE website.

	<div>ACCOUNTING PROCEDURES</div> <div>HARRIS COUNTY DEPARTMENT OF EDUCATION</div>	Reference:
DATE DEVELOPED: 3/29/2010		REVISED DATE:
SUBJECT: RISK AWARENESS PROCESS		

### **Purpose**

To provide an organization-wide RISK ASSESSMENT process to address internal control and risk-based standards and to satisfy an audit requirement per Statement of Auditing Standards No. 115. Communicating Internal Control Related Matters, from the American Institute of Certified Public Accountants.

Internal controls are the foundation of financial reporting; the management of risks to financial, and human assets throughout the organization is the business of all division directors. The finished product, the packet of *Return Forms*, will be provided to the independent auditors for their review.

### **Procedure**

In September 2009 Business Services began to develop a formalized process for increasing risk awareness organization-wide. This process includes training, one-on-one meetings with division directors, the worksheets and a calendar.


The **MID-YEAR REVIEW** is to be completed by February 28th. The Accounting, Reporting and Compliance Officer will be working with you to keep you on track to meet this deadline.

The **YEAR-END REVIEW** deadline of September 1st. You will be contacted ahead of the date with reminders to help you meet this deadline.

Central to the Process are the following:

- ✓ Instructions
- ✓ *Return Forms* Checklist
- ✓ Form 1. Division Inventory
- ✓ Form 2. Planning Form
- ✓ Form 3. Self-Evaluation of Risk Awareness (SERA) Worksheet
- ✓ SERA Risk Factors #1 - #8

## EXCERPT FROM THE RISK AWARENESS PROCESS – GUIDELINES FOR FY 2017-18:

	HARRIS COUNTY DEPARTMENT OF EDUCATION
	6300 IRVINGTON BLVD., HOUSTON, TEXAS 77022

### INTRODUCTION

#### NOTE ABOUT UPDATED MATERIALS

The Risk Awareness Process was first presented at the Cabinet meeting in October 2009. Since then, having had the opportunity to work with a number of HCDE divisions during the first year of implementation, we have identified changes to the process and the materials; these changes are incorporated in the Risk Awareness Process – Guidelines for FY 2017-18.

#### MANDATE


“An organization wide process to address internal control and risk-based standards is an audit requirement...” per Statement of Auditing Standards No. 115. *Communicating Internal Control Related Matters* from the American Institute of Certified Public Accountants. The finished product, the packet of *Return Forms*, will be provided to the independent auditors for their review.

If you have questions about the process or if you would like to arrange a meeting, please call Jesus Amezcua at 713-696-1371 or email [jamezcua@hcde-texas.org](mailto:jamezcua@hcde-texas.org).

#### SUPPLEMENTARY INFORMATION

The following information is provided to answer some questions you may have.

- The articles provided in the **Appendixes** show the importance of and the why and how the need for risk awareness on an organization-wide basis evolved.
- The list of **Acronyms** provides the phrases or titles of some common accounting abbreviations.
- The **Glossary of Terms** provides definitions of some accounting jargon you will find in the process or in the references or articles.

	<p align="center"><b>ACCOUNTING PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:  <a href="#">CH Local</a>  <a href="#">CH Legal</a> </p>
<p>DATE DEVELOPED: 6/2/08</p>	<p>REVISED DATE: 3/29/10</p>	
<p>SUBJECT: CONTRACTS-INCLUDING GRANTS-MONITORING AND COMPLIANCE</p>		

### **Purpose**

To provide a procedure for contracting for the benefit of the Department.

### **Procedure**

Performed by Superintendent:

1. Implement an organizational structure and assign functions to the Executive Team.
2. Assign and evaluate job descriptions to include contract management for their respective functions in each of the job descriptions of each member of Executive Team.
3. Assign the Assistant Superintendent for Business Services the development of a contract management system and internal controls for the Department and assign the authority to enforce the requirement of internal controls by division directors for contract management.

Performed by Division Director-Contracts:

1. Receive assignment of contract management via the job description and via his or her function in the Department within the organizational structure.
2. Implement an annual evaluation of the function, its related contract management responsibilities, and internal controls with the organizational structure.
3. Implement a system of contract management system and internal controls for all program functions under the oversight of the administrator.
4. Receive annual training on financial guidelines to include procurement policies and procedures by the Purchasing Department and the Business Services.
5. Authorized personnel to sign on contracts:

➔ Superintendent



➔ Assistant Superintendent for Business Services

6. Review contract requirements. Implement procedures to make sure requirements are met.
7. 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.

Performed by Division Director-Purchasing:

1. Process purchase orders prior to commencing work or receiving goods. All purchases must be made via a duly authorized purchase order as per [local policy](#).
  - a. Prepare an electronic requisition to encumber the contract and get purchase order from the Purchasing Department.
  - b. Check the coding of expenditures to make sure that the FASRG is followed.
  - c. Follow this principle: No funds, no purchase order.
  - d. Obtain approvals as required.
2. To facilitate payment of purchase orders:
  - a. Make sure invoices from the vendor are sent directly to Accounts Payable.
  - b. Return scanned invoices from Accounts Payable in a timely manner, with appropriate signatures
  - c. Payment date is according to the Business Services calendar
3. Request query access to Pentamotion from Technology Support Services to track purchase orders.
4. Follow up with Accounts Payable to make sure that payment is made on time within the contract timelines.

Performed by Division Director-Grants:


1. Utilize the Attestation Form for the purpose of certifying that all regulations and procedures have been followed before requesting a signature from the Superintendent, or submitting an application, grant contract, or report to the agency.
2. Adhere to the state guidelines for record retention.

Performed by Business Services-Contracts, Purchasing, and Grants:

1. Provide annual training to division personnel on financial guidelines to include contracts, purchasing policies and procedures, and grants by the Purchasing Department and the Business Office.
2. To facilitate payment of purchase orders:
  - a. Make sure invoices from the vendor are sent directly to Accounts Payable.
  - b. Return scanned invoices from Accounts Payable will scan invoices to the division for signature in a timely manner
  - c. When all appropriate document on the purchase order is complete, pay according to the Business Services calendar
3. Adhere to the state guidelines for record retention for bank records.

Failure to adhere to established guidelines may lead to disciplinary action in accordance with HCDE Personnel Policies and Procedures.

For questions regarding any of these procedures, call the Business Office.

	<b>ACCOUNTING PROCEDURES</b> HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference: <a href="#">CH Local</a> <a href="#">CH Legal</a>
DATE DEVELOPED: 6/2/08	REVISED DATE: 3/29/10	
SUBJECT: GRANT MONITORING AND COMPLIANCE		

### **Purpose**

To provide a procedure for grant administration for the benefit of the Department.

### **Procedure**

Source of Policy:

- [CH Legal](#)
- [CH Local](#)
- [Texas Education Code](#)
- Texas Education Agency – [Financial Accountability System Resource Guide](#), and Commissioner's Rules
- Financial Operating Guidelines, as updated

Required Documents:

The grant award or agreement from the State agency, federal agency or local grantor, including non-profit groups, AND approved by the Board of Trustees must be sent to the Business Office and a copy may be kept in the division.


Performed by Division Director:

1. Receive annual training on financial operating guidelines to include purchasing policies and procedures and grant guidelines by the Business Office.
2. Review the grant requirements.
3. Implement procedures to make sure grant requirements are met.
4. Follow purchasing policies and procedures and contract monitoring procedures.
5. Coordinate efforts with other divisions and/or campuses to achieve the grant objectives.

6. Maintain a grant file with proper documentation as required by EDGAR for federal funds and the Financial Operating Guidelines for state and local funds.
7. Prepare regulatory reports as required by the grant agreement, the grantor agency (TEA, for example), and the Superintendent
8. Seek approvals as required-immediate supervisor and or Executive Team Management-for grant expenditures.
9. Follow up with Accounts Payable to make sure that payments are made on time and within the grant timelines.
10. Request query access to Pentamation Finance Module from Technology Support Services.
11. Access Pentamation to check payments made to vendors and status of encumbrances.
12. Follow up on timeline of grant renewal at least 3 months prior to expiration of grant; meet with Resource Development and Financial Management staff to initiate the grant application and grant renewal process.
13. Utilize the Attestation Form for the purpose of certifying that all regulations and procedures have been followed before requesting a signature from the Superintendent, or submitting an application, grant contract, or report to the agency.
14. Adhere to the state guidelines for record retention for grant records.

Failure to adhere to established guidelines may lead to disciplinary action in accordance with HCDE Personnel Policies and Procedures.

For questions regarding this procedure, call the Business Office.

	<p align="center"><b>ACCOUNTING PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:  <a href="#">CH Local</a>  <a href="#">CH Legal</a> </p>
<p>DATE DEVELOPED: 6/2/08</p>	<p>REVISED DATE: 3/29/10</p>	
<p>SUBJECT: AUTHORIZATION FOR ELECTRONIC PURCHASING PROCEDURE</p>		

### **Purpose**

To provide a procedure for processing electronic purchase orders

### **Procedure**

The Pentamotion Finance System is an electronic requisitioning system designed to automate the request for purchases and prepare a purchase order. Levels of approval are required and act as internal controls over the purchasing requests.

Performed by the Division Director:

1. Receive annual training on purchasing policies and procedures by Purchasing Department and Business Office.
2. Provide training to division staff as needed. Please contact Purchasing or the Business Office if you want one-on-one training.
3. Accountability for purchases lies with the administrator in charge. This accountability cannot be assigned or delegated.
4. Approval for purchases may be delegated, but final responsibility still lies with the administrator in charge.
5. Two alternative approval processes are shown in **EXHIBIT 1**. Any additional approval level must be communicated to the Technology Department for implementation.
6. Submit requests for purchases-the requisition-prior to beginning work or ordering goods. All purchases must be made via a duly authorized purchase order as per [local policy](#).
7. Check the coding of expenditures to make sure that the Texas Education Agency's *Financial Accountability System Resource Guide* is followed. Guidance for budget

numbers is available in the *Financial Operating Guidelines*, and is also available from the Business Office.

8. Follow this principle: No funds, no purchase order. Amend you budget as necessary before inputting a requisition.
9. Follow up with Purchasing Staff to check the status on purchases.
10. Follow up with Accounts Payable to make sure that payment is made on time and within contract timelines. Payments are made only on Wednesdays per the Business Services calendar.
11. Check Pentamation for payments made to the vendor and the status of encumbrances.
12. Every year, each division director and administrator must identify the approval authorizations for purchases and complete and submit the following:

*To be sent to the Business Office Services at the beginning of the fiscal year or when a new staff begins with the division:*

- ➔ The Signature Authority Form-Finance  
Sample: See **EXHIBIT 2**; Form is available on the 'hcdeportal'
- ➔ The Conflict of Interest Disclosure  
Sample: See **EXHIBIT 3**; Form is available on the 'hcdeportal'
- ➔ The Signature Authority Form-Payroll  
Sample: See **EXHIBIT 4**; Form is available on the 'hcdeportal'

*To be sent to Technology Support Services at the beginning of the fiscal year or when a new staff begins with the division:*

- ➔ The Authorization for Electronic Purchasing Form is available on the 'hcdeportal'

Directions:

- 1) On HCDE Intranet Main Site, select 'Technology' under the '**Divisions**' heading.
- 2) On the Technology page, select 'Public Document Center' under the '**Site Hierarchy**' heading
- 3) On the Public Document Center page, select 'Documents' under the '**Site Hierarchy**' heading
- 4) On the Documents page, scroll down and find the Technology Resource Request Form

13. Adhere to state guidelines for record retention for purchasing records.

Failure to adhere to established guidelines may lead to disciplinary action in accordance with HCDE personnel Policies and Procedures.

**EXHIBIT 1**

**Authorization for Electronic Purchasing Procedure  
(Authorization by Administrator in Charge)**

AVAILABLE PER REQUEST  
FROM ADMINISTRATOR:

**Process A**

1. Clerk
2. Division Director or Principal

- =====
3. Program Manager (if applicable)
  4. Buyer
  5. Purchasing Director
  6. Accounting Clerk
  7. Business Office

**Process B**

1. Clerk
2. Division Director or Principal
3. Senior Level Management  
(Administrator in charge)

- =====
4. Program Manager (if applicable)
  5. Buyer
  6. Purchasing Director
  7. Accounting Clerk
  8. Business Office

Identify the approval processes for:

Select Process	Division or Campus or Budget Manager	Signature of Administrator in Charge	Director's Signature

For questions regarding this procedure, contact the Business Office.

**HARRIS COUNTY DEPARTMENT OF EDUCATION  
SIGNATURE AUTHORITY FORM**

Please complete the form by having authorized employees print and sign under the "Alternate Authorized Signature" section. Each individual must also complete the Conflict of Interest Disclosure. This authorization allows assigned designees to sign Payment Authorizations, Purchase Orders, Requests to Attend, Mileage Reimbursements, Travel Reimbursements, Procurement Card (P-Card), and Budget Amendments. This form also must be signed by the division director/manager authorizing the other signees to sign. Please return to Deisy Rubio in the Business Office. If you have questions about the form, call Deisy at (713) 696-8249.

Fund _____	Budget Manager Code _____
Division _____	_____
Division _____	_____
Manager _____	Signature _____
Contact _____	_____
Person _____	_____

**Alternate Authorized Signatures-All Financial Paperwork:**

1.	Name _____	Signature	_____
	Position _____		
2.	Name _____	Signature	_____
	Position _____		
3.	Name _____	Signature	_____
	Position _____		
4.	Name _____	Signature	_____
	Position _____		

**Other Authorized Signatures-Specific Items Only:**

1.	Other (Specify) _____	Printed Name	_____
		Signature	_____
2.	Other (Specify) _____	Printed Name	_____
		Signature	_____
3.	Other (Specify) _____	Printed Name	_____
		Signature	_____

**Business Office**

Date Received: \_\_\_\_\_





Harris County Department of Education  
6300 Irvington Blvd., Houston, Texas 77022 (713) 696-1371

**CONFLICT OF INTEREST DISCLOSURE**  
**ALL BUDGET MANAGERS**

**Note:** A budget manager is an individual that is authorized to approve purchase requests of any kind (i.e. grants, bids, requisitions, purchase authorizations, student activity, etc.) 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, etc.)

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

1. Have you accepted a **Cash Gratuity** (during duty and non-duty periods) of any amount 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 explain and disclose from whom \_\_\_\_\_  
\_\_\_\_\_
3. If you answered 'Yes' to question #1 OR question #2, did you report it to your supervisor within 72 hours? Yes \_\_\_ No \_\_\_ Not Applicable \_\_\_ 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 said company \_\_\_\_\_  
\_\_\_\_\_
5. Does **anyone in your family** (brother, sister, mother, father, daughter, son, grandparents, uncles, aunts, etc.) work for, or have an interest in, a vendor or company doing business with HCDE?  
Yes \_\_\_ No \_\_\_ If yes, disclose name of company and their interest in the outside company: \_\_\_\_\_  
\_\_\_\_\_
6. **I certify that the information above is true and correct to the best of my knowledge:**

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

\_\_\_\_\_  
Date

**FOR BUSINESS SUPPORT SERVICES USE ONLY**

Reviewed by Compliance Officer:

Authorized to participate in the purchasing process by  
Asst. Superintendent for Business Services:

_____
-------

EXHIBIT 4

HARRIS COUNTY DEPARTMENT OF EDUCATION  
PAYROLL  
SIGNATURE AUTHORITY FORM

Please complete the form by assigning an alternate authorized signature. This authorization allows the assigned alternate designee(s) to sign Timesheets, Absence Reports, and Overtime/Comp-time approval forms in the absence of the division director. This form also designates a 'PCP' - Payroll Contact Person for your division. This form must be signed by the division director. Please return this form to the Payroll Office. For questions regarding this form, contact a Payroll Specialist at extension 8289 or ext. 1747.

Fund	_____	Budget Manager Code	_____
Division	_____		_____
Division	_____		_____
Manager	_____	Signature	_____
Contact	_____		_____
Person	_____		_____

Alternate Authorized Signatures-Timesheets, Absence Reports and Overtime/Comp-time approvals:


5. Name	_____	Signature	_____
Position	_____		
6. Name	_____	Signature	_____
Position	_____		
7. Name	_____	Signature	_____
Position	_____		
8. Name	_____	Signature	_____
Position	_____		

Payroll Contact Person:

1. Other (Specify)	_____	Printed Name	_____
		Signature	_____

**Payroll Office**

Date Received: \_\_\_\_\_

	<p><b>ACCOUNTING PROCEDURES</b></p> <p>HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	Reference:
<p>DATE DEVELOPED: 5/18/2010</p> <p>REVISED DATE:</p>		
<p>SUBJECT: COMPLIANCE WITH PREVAILING WAGES REQUIREMENT</p>		

### Memorandum Notice to Contractors

<p><b>To: Contractors subject to the Davis Bacon Act</b></p>
<p><b>From: HCDE Compliance Officer</b></p>
<p><b>Ref: Procedures to meet requirements under the Davis Bacon Act</b></p>
<p><b>Date: FY 2017-2018</b></p>

#### **Purpose:**

The purpose of this document is to provide guidance to contractors performing construction work related to a project funded through federal funds received by Harris County Department of Education.

In order to establish the process, we need to identify a series of definitions as follows:

#### **1.0 Source of Federal law:**

Davis Bacon Act is approved under **PUBLIC LAW 107-217-AUG. 21, 2002 [as amended]**. The Davis-Bacon Act, referred to in par. (1), is act of Mar. 3, 1931, ch. 411, 46 Stat. 1494, as amended, which was classified generally to sections 276a to 276a-5 of former Title 40, Public Buildings, Property, and Works, and was repealed and reenacted as sections **3141-3144, 3146, and 3147 of this title by Pub. L. 107-217, Secs. 1, 6(b), Aug. 21, 2002, 116 Stat. 1062, 1304.**

#### **2.0 Source of State Law (CV Legal):**

A worker, laborer, or mechanic employed on a public work, exclusive of maintenance work, by or on behalf of a district shall be paid not less than the general prevailing rate of per diem wages. The general prevailing rate of per diem wages is the rate of per diem wages for work of a similar character in the locality in which the work is performed, and also includes the rate of per diem wages for legal holiday and overtime work. A worker is employed on a public work if the worker is employed by a contractor or subcontractor in the execution of a contract for public work with a district. **Gov't Code 2258.001, 2258.021**

### CV Legal (Continued)

A board shall determine, as a sum certain, the general prevailing rate of per diem wages in a district for each craft or type of worker needed to execute the contract and also for legal holiday and over-time work. To ascertain the general prevailing rate of per diem wages, a board shall either conduct a survey of the wages received by classes of workers, laborers, and mechanics employed on projects of a character similar to the contract work in a district or adopt the prevailing wage rate as determined by the U. S. Department of Labor. A board shall specify the prevailing rate of per diem wages in the call for bids and in the contract itself. A board's determination of the general prevailing rates of per diem wages shall be final. *Gov't. Code 2258.001, 2258.022*

HCDE has adopted the General Wage Determinations through the procurement process. The Business Office and the division receiving federal funds will provide applicable wage determinations to the contractors.

### **3.0 Davis Bacon Act requirements:**

While completion of Form WH-347 is optional, **it is mandatory** for covered contractors and subcontractors performing work on Federally financed or assisted construction contracts **to respond to the information collection** contained in 29 C.F.R. §§ 3.3, 5.5(a).

The Copeland Act (40 U.S.C. § 3145) requires contractors and subcontractors performing work on Federally financed or assisted construction contracts **to "furnish weekly a statement with respect to the wages paid each employee during the preceding week."**

U.S. Department of Labor (DOL) Regulations at 29 C.F.R. § 5.5(a)(3)(ii) require contractors to submit weekly a copy of all payrolls to the Federal agency contracting for or financing the construction project, accompanied by **a signed "Statement of Compliance" indicating that the payrolls are correct and complete** and that each laborer or mechanic has been paid not less than the proper Davis-Bacon prevailing wage rate for the work performed.

DOL and federal contracting agencies (i.e. HCDE) receiving this information review the information to determine that employees have received legally required wages and fringe benefits.

Under the Davis-Bacon and related Acts, the contractor is **required to pay not less than prevailing wage, including fringe benefits**, as predetermined by the Department of Labor. The contractor's obligation to pay fringe benefits may be met either by payment of the fringe benefits to bona fide benefit plans, funds or programs or by making payments to the covered workers (laborers and mechanics) as cash in lieu of fringe benefits.

This payroll provides for the contractor to **show on the face of the payroll** all monies to each worker, whether as basic rates or as cash in lieu of fringe benefits, and provides for the contractor's representation in the statement of compliance on the payroll (as shown on page 2) that he/she is paying for fringe benefits required by the contract and not paid as cash in lieu of fringe benefits.

The advertised **specifications for every contract in excess of \$2,000**, to which the Federal Government or the District of Columbia is a party, **for construction, alteration, or repair, including painting and decorating, of public buildings and public works** of the Government or the District of Columbia that are located in a State or the District of Columbia and which requires or involves the **employment of mechanics or laborers** shall contain a provision stating the minimum wages to be paid various classes of laborers and mechanics.

#### **4.0 Federal Funds received by HCDE:**

HCDE receives federal funds and often appropriates funds for the purpose of payment of construction projects that are subject to the Davis Bacon Act.

#### **5.0 Applicable Projects:**

Projects are identified by the Division receiving federal funds and the Purchasing Division. This identification will be facilitation through the budget coding system. All projects subject to the Davis Bacon Act will be coded internally by HCDE under budget object code 6200 contracted services and budget code object 6600 capital outlay.

**In order to comply with the Davis Bacon Act, the contractor must comply with the following:**

- (1) Identify the appropriate wage determination and**
- (2) Report the wages to comply with the wage determination.**

#### **6.0 Wage Determination:**

A “wage determination” is the listing of wage rates and fringe benefit rates for each classification of laborers and mechanics which the WHD Administrator has determined to be prevailing in a given area (usually a county) for a particular type of construction.

#### **7.0 Wage Determination website:**

On September 26, 2005, the Wage Determinations On Line website (<http://www.wdol.gov>) became the official site for all Davis-Bacon GWDs.

#### **8.0 Type of construction: Projects Of A Similar Character:**

As a matter of longstanding policy, DOL has distinguished four general types of construction for purposes of making prevailing wage determinations: building construction, residential construction, heavy construction, and highway construction. All Agency Memoranda Nos. 130 and 131 provide guidance in the application of this policy. Generally, for wage determination purposes, a project consists of all construction necessary to complete a facility regardless of the number of contracts involved, so long as all contracts awarded are closely related in purpose, time, and place.

**All Agency Memorandum No. 130 -- “Application Of The Standard Of Comparison ‘Projects of a Character Similar’ Under the Davis-Bacon And Related Acts”** provides general descriptions of each general type of construction and includes lists of examples in each general category. In brief:

**Building Construction** includes the construction, rehabilitation and repair of sheltered enclosures with walk-in access for the purpose of housing persons, machinery, equipment, or supplies.

**Residential Construction** includes the construction, rehabilitation, and repair of single family houses, townhouses, and apartment buildings of no more than four (4) stories in height.

**Highway Construction** includes the construction, alteration or repair of roads, streets, highways, runways, parking areas and most other paving work not incidental to building or heavy construction.

**Heavy Construction** is a “catch-all” category which includes those projects which cannot be classified as Building, Residential or Highway. Heavy construction is often further distinguished on the basis of the characteristics of particular projects, such as dredging, water and sewer line, dams, major bridges and flood control projects.

#### **9.0 How to Locate GWDs (General Wage Determinations):**

The WDOL web site (<http://www.wdol.gov>) contains all current wage determinations as well as previous modifications to the wage determinations (archived wage determinations) and a listing of the wage determinations to be modified in the next publication cycle.

Current, archived or due to be revised Davis-Bacon wage determinations can be found by selecting one of these options from the “Davis Bacon Act” main menu:

- Selecting DBA WDs
- Archived WDs
- WDs to be revised

#### **10.0 Requirement to complete Form WH-347 by Contractors:**

The Certified Payroll Report is an optional form for use by contractors and sub-contractors on federally financed or assisted construction contracts in attesting that laborers and mechanics were paid prevailing wages and fringe benefits in accordance with requirements of the Davis Bacon and Related Acts (DBRA) and the Copeland “Anti-Kickback” Act. The properly completed form may be used to provide required payroll information to contracting agencies for review. The form can be downloaded from <http://www.dol.gov/whd/forms/wh347.pdf>

HCDE requires that this form be submitted before payment is finalized on each project applicable to the Davis Bacon Act.

#### **11.0 Instructions to complete Form WH 347:**

Instructions to complete the form are attached in a pdf format. The source of these instructions is the U.S. Wage and Hour Division. Instructions can be downloaded from <http://www.dol.gov/whd/forms/wh347instr.htm>

### **12.0 Reports submitted to the Accounting, Reporting and Compliance Officer:**

Reports are required to be submitted to the Accounting, Reporting and Compliance Officer in the Business Office. The Contractor should seal the WH 347 Reports. The Business Office will date and stamp the reports received. The Business Office will open the reports and review them with the Compliance Officer and the division receiving federal funds.

### **13.0 Review of WH 347 Reports:**

The reports will be reviewed for compliance. Failure to submit the reports will delay and-or prevent the payment of funds for the project.

### **14.0 Failure to pay prevailing wage rates:**

Upon review of the payrolls, the Accounting, Reporting and Compliance Officer will determine whether the contractor is in compliance with the prevailing wage rates in the GWD General Wage Determination.

If the contractor did not comply, a letter will be sent to the contractor. The letter will state that the contractor is required to cure the requirements and show documentation of compliance.

### **15.0 Clarifications and questions:**

For any clarifications and questions regarding these requirements, contact the Compliance Office at 713-696-1344 or send an email at [jmartinez@hcde-texas.org](mailto:jmartinez@hcde-texas.org)

### **Useful websites and sources**

[GWD](#)

[Form WH 347](#)

[Form WH 347 Instructions](#)

[Davis Bacon Act Law](#)

State Law- [CV Legal](#):

[Davis Bacon Act Guide](#)

[Prevailing Wage Rate Resource Book](#)

[Wage and Hour Division –ARRA 2009 Information](#)



---

## ELECTRONIC COMMUNICATIONS/ACCEPTABLE USE GUIDELINES

---

The goal of these guidelines is to outline appropriate and inappropriate use of Harris County Department of Education (HCDE) Internet Resources, including, electronic mail and messaging, texting, intranet, all forms of social media, web logs, electronic forums, video sharing, editorial comments and social network sites (collectively, "Internet Resources"). An individual's account provides access to networks around the world through these Internet Resources. Use of these Internet Resources is subject to the following guidelines:

### **My Account**

Access to Internet Resources at HCDE is controlled through individual accounts and passwords. Department managers are responsible for defining appropriate access levels to Internet Resources for the persons in their divisions and conveying such access to the network administrator.

Each user of the HCDE system is required to read these guidelines and sign an *Employee/Contractor Agreement for Electronic Communications and Acceptable Use Agreement* prior to receiving an Internet access account and password.

### **Appropriate Use**

Individuals at HCDE are encouraged to use Internet Resources to further the goals and objectives of HCDE. HCDE accounts are to be used mainly for business pertaining to HCDE, educational and/or professional development, HCDE clients, and communication with fellow employees. The types of activities that are encouraged include:

- communicating with fellow employees, business partners of HCDE, and clients within the context of an individual's assigned responsibilities;
- acquiring or sharing information necessary or related to the performance of an individual's assigned responsibilities; and/or
- participating in educational or professional development activities.

Individuals with HCDE accounts will be held responsible at all times for the proper use of their accounts. The Department may suspend or revoke an individual's access to his/her HCDE account and/or to Internet Resources if these guidelines, the *Employee/Contractor Agreement for Electronic Communications and Acceptable Use Agreement*, and applicable policies and procedures are violated.

Individuals are required to follow HCDE's records retention schedules to determine the length of time a record, including an electronic record, is required to be retained.

### **Inappropriate Use**

An individual's use of Internet Resources shall not interfere with work. Users will not violate the network policies of any network accessed through their accounts. Internet use at HCDE shall comply with all federal and state laws, all HCDE policies, procedures, and guidelines, and all HCDE contracts including but not limited to the following:

1. Internet Resources may not be used for illegal or unlawful purposes, including, but not limited to, copyright infringement, obscenity, libel, slander, fraud, defamation, plagiarism, harassment, intimidation, forgery, impersonation, illegal gambling, soliciting for illegal pyramid schemes, and computer tampering (e.g. spreading computer viruses).

The Internet may not be used in any way that violates HCDE policies, procedures, guidelines, or administrative orders, including but not limited to, any applicable code of conduct policies. See *Policies CQ (Local); DH (Local)*. Use of Internet Resources in a manner that is not consistent with the mission of HCDE, misrepresents HCDE, or violates any HCDE policy, procedure, or guideline is prohibited.

---

## ELECTRONIC COMMUNICATIONS/ACCEPTABLE USE GUIDELINES

---

2. Individuals should limit their personal use of the Internet. HCDE allows limited personal use for communication with family and friends, independent learning, and public service. HCDE prohibits use of mass unsolicited mailings, access for non-employees to HCDE resources or network facilities, competitive commercial activity unless pre-approved by HCDE, and the dissemination of chain letters, wasting Department resources through improper use of the computer system, such as spamming.
3. Individuals may not view, copy, alter, or destroy data, software, documentation, or data communications belonging to HCDE or another individual without authorized permission.
4. In the interest of maintaining network performance, users should not send unreasonably large electronic mail attachments.
5. Individuals shall not use another individual's account without permission. Individuals shall not gain or attempt to gain unauthorized access to restricted information or resources.

### **Personal use of electronic media**

Electronic media includes all forms of social media, such as text messaging, instant messaging, electronic mail (e-mail), Web logs (blogs), electronic forums (chat rooms), video-sharing Web sites, editorial comments posted on the Internet, and social network sites (e.g. Facebook, MySpace, Twitter, LinkedIn). Electronic media also includes all forms of telecommunication, such as land lines, cell phones, and Web-based applications.

As role models for the Department's students, employees are responsible for their public conduct even when they are not acting as HCDE employees. Employees will be held to the same professional standard in their public use of electronic media as they are for any other public conduct. If an employee's use of electronic media violates state or federal law or Department policy, or interferes with the employee's ability to effectively perform his or her job duties, then the employee is subject to disciplinary action, up to and including termination of employment. If an employee wishes to use a social network site or similar media for personal purposes, then the employee is responsible for the content of the employee's page, including content added by the employee, the employee's friends, or members of the public who can access the employee's page, and for content that is linked to the employee's pages. Employees who set up personal Web sites or Web pages do so at their own risk; however, employees are strongly encouraged to keep their personal Web pages private and to also prevent students and parents of students from accessing their personal Web pages. Content of employees' personal Web pages may not violate HCDE policies, procedures, or guidelines or harm the employees' ability to function professionally and effectively in the HCDE environment.

An employee who uses electronic media for personal purposes shall observe the following:

- Employees shall not use HCDE's logo or other copyrighted material of HCDE without express written consent.
- Employees continue to be subject to applicable state and federal laws, policies, procedures, administrative regulations, guidelines, and the Code of Ethics and Standard Practices for Texas Educators, even when communicating regarding personal and private matters, regardless of whether the employee is using private or public equipment, on or off campus. These restrictions include but are not limited to:
  - Confidentiality of student records. *See Policy FL.*
  - Confidentiality of health or personnel information concerning colleagues, unless disclosure serves lawful professional purposes or is required by law. *See Policy DH (Exhibit).*
  - Confidentiality of HCDE records, including educator evaluations and private e-mail addresses. *See Policy GBA.*

---

## ELECTRONIC COMMUNICATIONS/ACCEPTABLE USE GUIDELINES

---

- Copyright laws. *See Policy EFE.*
- Prohibition against harming others by knowingly making false statements about a colleague or the Department. *See Policy DH (Exhibit).*

### Use of Electronic Media with Students

All employees may communicate with students who attend an HCDE school or program through electronic media. Employees must comply with the provisions outlined below when communicating through electronic media with any student who attends an HCDE school or program.

An employee is not subject to these provisions to the extent the employee has a social or family relationship with the student. For purposes of this exception, “social relationship” means a relationship between the employee and the student directly derived from an employee’s relative, a child of an employee’s friend, a friend of an employee’s child, or from membership in the same civic, social, recreational, or religious organization.

The following definitions apply for the use of electronic media with students:

- Electronic media includes all forms of social media, such as text messaging, instant messaging, electronic mail (e-mail), Web logs (blogs), electronic forms (chat rooms), video-sharing Web sites, editorial comments posted on the Internet, and social network sites (e.g., Facebook, MySpace, Twitter, LinkedIn). *Electronic media* also includes all forms of telecommunication such as land lines, cell phones, and Web-based applications.
- *Communicate* means to convey information and includes one-way communication, as well as a dialogue between two or more people. A public communication by an employee that is not targeted at students (e.g., a posting on the employee’s personal social network page or a blog) is not a communication; however, the employee may be subject to Department regulations on personal electronic communications. *See Personal Use of Electronic Media*, above. Unsolicited contact from a student through electronic means is not a communication.

An employee who uses electronic media to communicate with students shall observe the following:

- The employee shall limit communications to matters within the scope of the employee’s professional responsibilities (e.g., for classroom teachers, matters relating to class work, homework, and tests; for an employee with an extracurricular duty, matters relating to the extracurricular activity).
- The employee is prohibited from knowingly communicating with students through a personal social network page; the employee must create a separate social network page (professional page) for the purpose of communicating with students. The employee must enable administration and parents to access the employee’s professional page.
- The employee shall not communicate directly with any student between the hours of 10 p.m. and 7 a.m.; an employee may, however, make public posts to a social network site, blog, or similar application at any time.
- The employee does not have a right to privacy with respect to communications with students and parents.

---

## ELECTRONIC COMMUNICATIONS/ACCEPTABLE USE GUIDELINES

---

- The employee continues to be subject to applicable state and federal laws, local policies, administrative regulations, and the Code of Ethics and Standard Practices for Texas Educators, including:
  - Compliance with the Public Information Act and Family Educational Rights and Privacy Act (FERPA), including retention and confidentiality of student records. *See Policies CPC and FL.*
  - Copyright law. *See Policy EFE.*
  - Prohibitions against soliciting or engaging in sexual conduct or a romantic relationship with a student. *See Policy DF.*
- Upon request from administration, an employee will provide the phone number(s), social network site(s), or other information regarding the method(s) of electronic media the employee uses to communicate with any one or more currently-enrolled students.
- Upon written request from a parent or student, the employee shall discontinue communicating with the student through e-mail, text messaging, instant messaging, or any other form of one-to-one communication.

An employee may request an exception from one or more of the limitations above by submitting written request to his or her immediate supervisor, who shall consult with a member of the HCDE Executive Team concerning whether to grant or deny the request.

### Security

For security purposes, users may not share account or password information with other persons. HCDE accounts are to be used only by the assigned user of the account for authorized purposes. Attempting to obtain another user's account password is strictly prohibited. Users are required to obtain a new password if they have reason to believe that any unauthorized person has learned their password. Users are required to take all necessary precautions to prevent unauthorized access to Internet services.

### Failure to Comply

Violations of these guidelines, HCDE policies and procedures, *Employee/Contractor Agreement for Electronic Communications and Acceptable Use Guidelines*, and inappropriate use of Internet resources will be treated like other allegations of wrongdoing at HCDE. Allegations of misconduct will be adjudicated according to established policies and procedures. Sanctions for violation of these guidelines, the *Employee/Contractor Agreement for Electronic Communications and Acceptable Use Guidelines*, and/or inappropriate use of Internet resources may include, but are not limited to, one or more of the following:

- Temporary or permanent revocation of access to some or all Internet resources, computing and networking resources and facilities, and/or the HCDE system;
- Disciplinary action, up to and including termination of employment, according to applicable HCDE policies and/or procedures;
- Legal action according to applicable laws and contractual agreements.

### Monitoring and Filtering

HCDE may monitor any Internet activity occurring on HCDE equipment or accounts. HCDE currently employs filtering software to limit access to restricted sites on the Internet. This software is compatible with Children's Internet Protection Act (CIPA) recommendations for student access to the Internet. If HCDE discovers activities which do not comply with applicable law or Departmental policies, procedures, and/or guidelines, records retrieved may be used to document the wrongful content.

---

## ELECTRONIC COMMUNICATIONS/ACCEPTABLE USE GUIDELINES

---

### **Disclaimer**

HCDE assumes no liability for any direct or indirect damages arising from the user's connection to the Internet. HCDE is not responsible for the accuracy of information found on the Internet and only facilitates the accessing and dissemination of information through its systems. Users are solely responsible for any material that they access and disseminate through the Internet.

HCDE encourages users to use their Internet access responsibly. Should any user have any questions regarding these Electronic Communications and Acceptable Use Guidelines, the user should contact the help desk at 713-696-1300, via HCDE internal e-mail at "Helpdesk," or via external e-mail at [helpdesk@hcde-texas.org](mailto:helpdesk@hcde-texas.org). For questions about the guidelines, contact the Human Resources division.

# Harris County Department of Education

## Employee/Contractor Agreement for Electronic Communications and Acceptable Use Guidelines

As an employee of Harris County Department of Education, you have been given access to the Department's electronic communications system. With this opportunity comes responsibility. It is important that you read the Department policy, administrative regulations, and agreement form, and ask questions if you need help understanding them. Inappropriate system use will result in the loss of the privilege of using this educational and administrative tool.

Please note that the Internet is a network of many types of communication and information networks. It is possible that you may encounter material that is objectionable. The Department will take reasonable steps to restrict such material; however, it is not possible to prevent all such access. It is your responsibility as an employee to follow the rules for appropriate use.

### Rules for Appropriate Use

- The account is to be used mainly for business pertaining to HCDE, educational and/or professional development, HCDE clients, and communication with fellow employees. Personal use should be limited and non-disruptive to your work.
- You will be held responsible at all times for the proper use of your account. The Department may suspend or revoke your access if the rules are violated.

### Inappropriate Uses

- Using the system for any illegal purposes including but not limited to obscenity, libel, slander, fraud, defamation, plagiarism, harassment, forgery, illegal gambling, and computer tampering (e.g. spreading of computer viruses)
- Using another employee's account without permission
- Downloading or using copyrighted material without permission from the copyright holder
- Wasting Department resources through improper use of the computer system, such as "spamming" (posting chain letters)
- Copying, viewing, altering, or destroying data, software, documentation, or data communications belonging to HCDE or another individual without authorized permission
- Gaining unauthorized access to restricted information or resources

### Consequences for Inappropriate Use

- Temporary or permanent suspension of access to the HCDE system
- Disciplinary action according to applicable HCDE policies
- Legal action according to applicable laws and contractual agreements.

I hereby acknowledge that I have read and understand the Internet Acceptable Use Guidelines of Harris County Department of Education. I agree to abide by these guidelines and ensure that persons working under my supervision abide by these policies. I understand that if I violate such rules, I may face legal or disciplinary action according to applicable law or Departmental guidelines.

I hereby agree to indemnify and hold HCDE and its officers, trustees, employees, and agents harmless for any loss, damage, expense or liability resulting from any claim, action, or demand arising out of or related to the user's use of HCDE owned computer resources and the network, including reasonable attorney fees. Such claims shall include, without limitation, those based on trademark or service mark infringement, trade name infringement, copyright infringement, unfair competition, defamation, unlawful discrimination or harassment, and invasion of privacy.

Employee No: \_\_\_\_\_

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_







## SIGNATURE AUTHORITY FORM

### Head Start Funds

FY 2017-18

Please complete the form by having authorized employees print and sign under the "Alternate Authorized Signatures" section. Each individual must also complete the Conflict of Interest Disclosure. This authorization allows assigned designees to sign payment authorizations, **requests to attend, mileage reimbursements, travel reimbursements, invoices, purchase orders, procurement card, budget amendments, timesheets, absence reports, and overtime/compensatory time approval**. This form also must be signed by the division director/manager authorizing the other signees to sign. Please return to Business Services. If you have questions about the form, please call Deisy Rubio at (713) 696-8249.

**These items are restricted for this individual. (see attached)**

Fund _____	Budget Mgr Code _____
Division _____	
<b>Division Manager</b> _____	Signature _____
Contact Person _____	

<b>Alternate Authorized Signatures</b> - All Financial Paperwork:	
1. Name _____	Signature _____
Position _____	
2. Name _____	Signature _____
Position _____	
3. Name _____	Signature _____
Position _____	
4. Name _____	Signature _____
Position _____	

<b>Payroll Contact Person:</b>	<b>Accounts Payable Contact Person:</b>
Name _____	Name _____
Signature _____	Signature _____

Business Office

Date Received: \_\_\_\_\_



# Harris County Department of Education

## SIGNATURE AUTHORITY FORM FY 2017-18


Please complete the form by having authorized employees print and sign under the "Alternate Authorized Signatures" section. Each individual must also complete the Conflict of Interest Disclosure. This authorization allows assigned designees to sign payment authorizations, payment authorization, requests to attend, mileage reimbursements, travel reimbursements, invoices, purchase orders, procurement card, budget amendments, budget transfer, timesheets, and overtime/compensatory time approval. This form also must be signed by the division director/manager authorizing the other signees to sign. Please return to Business Services. If you have questions about the form, please call Deisy Rubio at (713) 696-8249, [drubio@hcde-texas.org](mailto:drubio@hcde-texas.org)

Fund _____	Budget Mgr. _____
Division: _____	
Division Manager _____	Signature _____
Contact Person _____	
<b>Alternate Authorized Signatures - All Financial Paperwork:</b>	
1. Name _____	Signature _____
Position _____	
2. Name _____	Signature _____
Position _____	
3. Name _____	Signature _____
Position _____	
4. Name _____	Signature _____
Position _____	
<b>Payroll Contact Person:</b>	
Name _____	
Signature _____	
<b>Accounts Payable Contact Person:</b>	
Name _____	
Signature _____	

**Business Office**

Date Received: \_\_\_\_\_



	<p style="text-align: center;"><b>DESK PROCEDURE</b></p> <p style="text-align: center;">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p> <p><i>Bank Reconciliations</i></p>
DATE DEVELOPED: 11/11/2016		REVISED DATE:
SUBJECT: Bank accounts reconciliations		

**Purpose:**

To document the bank reconciliation responsibilities and internal controls

**Procedure:**

All bank accounts cash reconciliations are prepared on a monthly basis once the bank statements are available.

**Responsible Parties:**

The Jr. Accountant is responsible for preparing the bank reconciliations for the Operating, Payroll, Accounts Payable and the Workers Comp account.

The Senior Grant Accounting Clerk is responsible for preparing the bank reconciliations for all other 14 cash accounts including the Texpool, and Texstar cash accounts.

The bank statements are available on line by the second working day of the month. The Senior Accountant is responsible for downloading and saving all bank statements on the "S" drive. Once the cash reconciliations are completed, the Chief Accounting Officer reviews and approves all reconciliations.

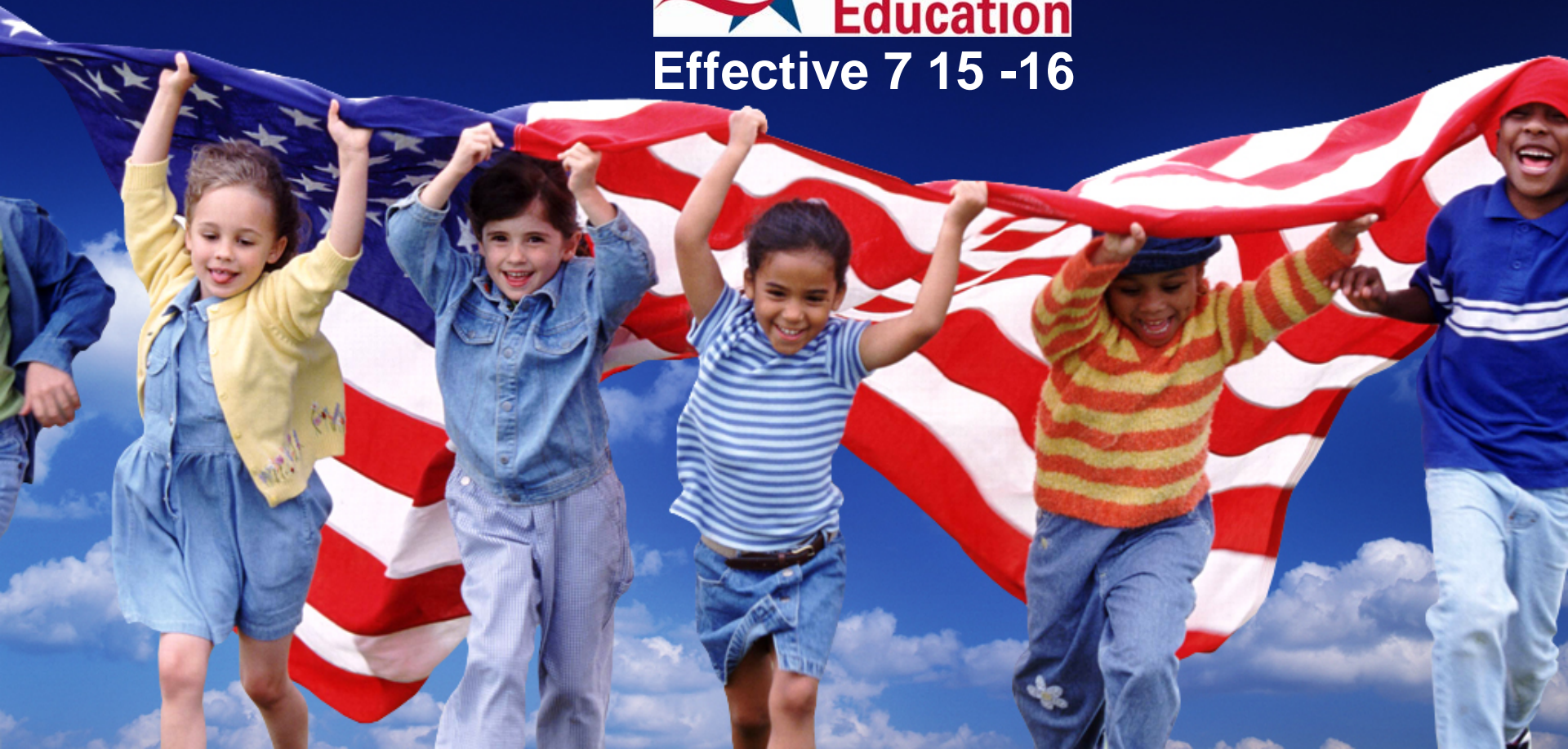
**Separation of Duties**

In order to maintain strong internal controls, the individual responsible for collecting and depositing cash to the Operating cash account will not prepare the cash reconciliations for this particular account. The Senior Grant Accounting clerk prepares all deposits to the Operating cash account and the Jr. Accountant prepares the cash reconciliations.

# Handling open records (TPIA) requests by the Business and Purchasing Offices



Effective 7 15 -16



The background of the slide features a stylized American flag with red and white stripes and a blue field with white stars, set against a blue sky with white clouds.

# STEP # 1 - Requests

1.0 All requests received by the Business Office or the Purchasing Office must be reviewed by the Asst. Supt for Business in order to make sure that adequate resources are devoted to provide the information in a timely manner.

1.1 Thus, if a staff member in the Business Office OR the Purchasing Office receives a request, you are required to review it with the Asst. Supt for Business PRIOR to begin working on it.



The background of the slide features a stylized American flag with red and white stripes on the left and right sides, and a blue field with white stars in the center. The flag is set against a backdrop of a bright blue sky with soft, white clouds. The title 'STEP # 2 Procedures' is prominently displayed in the upper center in a large, bold, white sans-serif font.

# STEP # 2 Procedures

2.0 The appropriate staff will be assigned to prepare the documentation – If the information is available electronically, it must be provided through email to the Asst. Supt for Business.

2.1 If the information is available in paper form, then every effort must be made to convert it to pdf format.

2.2 Once the information is identified, it should go through a quality review by either the Purchasing Director or the Chief Accounting Officer depending on the nature of the request.

2.3 Only requested information must be copied and submitted. Documents not responsive should not be included in the response.

2.4 Staff must keep record and submit the amount of time taken to prepare the response.

The background of the slide features a stylized American flag with red and white stripes on the left and right sides, and a blue field with white stars in the center. The flag appears to be waving against a blue sky with white clouds.

# STEP # 3 Responses

3.0 All emails regarding the response must be archived and maintained by each staff member handling the open records.


3.1 Questions on extraordinary requests will be sent for review by the Asst. Supt to the department's counsel.

3.2 All responses must be redacted for personal information and confidential data such as bank account numbers, etc.

3.3 The Assistant Superintendent-Business Services will review the information prior to submitting it to the Communication Division.

## **Grants**

The Grant Managers are responsible for ensuring that all employee wages and all other grant expenditures are accounted for, distributed and in compliance with all state, local and federal regulations.

	<b>RESOURCE DEVELOPMENT PROCEDURES</b>  <b>HARRIS COUNTY DEPARTMENT OF EDUCATION</b>	Reference:
EFFECTIVE DATE: July 26, 2005		REVISED DATE: February 12, 2010
SUBJECT: Acceptance of Donations		

**Purpose:** To implement a donor-relations initiative that encompasses the effective acknowledgement and stewardship of donors; and internal record-keeping and communication processes that meet HCDE policy.

**Donation** is defined as the act of giving to a fund or cause, or a gift or grant. HCDE defines a donation as any cash or in-kind gift a division or program of HCDE receives that benefits HCDE and/or its clients or students.

**Goals:**


- Adhere to HCDE Policy that requires that the Board is notified of all donations
- Provide donors with documentation of gift
- Acknowledge donors in a timely manner
- Recognize donors in the manner appropriate to their level of gift
- Eliminate duplicate requests to the same donor

**Before a donation is accepted,** the person receiving the gift on behalf of HCDE and/or its clients must ensure that steps 1 through 3 are completed as follows. Steps 4 and 5 must occur within five working days of receipt of the gift. Steps 6 and 7 will occur prior to the next board meeting after receipt of the gift.


**Step 1:** Donor/staff complete a Donation Receipt form (triplicate NCR form) which includes donor name, address, telephone number, email, descriptions of the items donated, their value and what program area they are supporting. (Refer to Donations/Gift Form) - Donor may specify on the form if they wish their donation anonymous.  
*HCDE Donation Receipt Forms in triplicate NCR format may be obtained from Resource Development division.*  
Note: Staff may also use the Donation Receipt form found on the portal at <http://hcdeportal>. If used, make a copy for division files and send original to Resource Development division. Disregard Steps 2 through 5.

**Step 2:** When donor completes form, have donor return form to HCDE staff – person accepting gift.

**Step 3:** HCDE staff tears off the back page (pink) of the triplicate Donation Receipt Form and give it to the donor.

- Step 4:** HCDE staff tears off the remaining back page (yellow) for filing with the division.
- Step 5:** HCDE staff sends the front page (white) to Resource Development (RD). If more than one donation, staff will compile all in one batch and send to RD.
- Step 6:** As receipts are received, RD prepares and mails acknowledgement letters signed by the HCDE Superintendent to the donor.
- Step 7:** RD uses the information on the forms to prepare and maintain an Excel worksheet, reporting monthly donor activity.
- Step 8:** RD staff uses the forms to maintain donor information by division within a contact management database.
- Step 9:** RD prepares the donation report for donations over \$50.00 and submits to Superintendent Secretary for an information item for the board and Business Services to include in their report to the board.
- Step 10:** RD coordinates with relevant divisions and Communications and Public Information on donor stewardship activities.
- 



	<b>RESOURCE DEVELOPMENT PROCEDURES</b>  <b>HARRIS COUNTY DEPARTMENT OF EDUCATION</b>	Reference:
EFFECTIVE DATE: July 26, 2005		REVISED DATE: April 11, 2008
SUBJECT: Commitment of Resources and Grant Submissions		

**All forms of commitment\* including grant submissions (new and continuation) require**

1. Prior approval from the Executive Team including the Superintendent and
2. Prior approval of the HCDE Board, when feasible or
3. Ratification after submission by the HCDE board.

\*Commitments may include, but are not limited to, those with universities, governmental entities, grantors, school districts, for-profit, not-for-profit, non-profit, community- and faith-based organizations and the Education Foundation of Harris County.

**Commitments that generate revenues and/or provide in-kind support of HCDE resources through participation in an initiative or grant may be reflected in two forms:**

1. Written agreements; or
2. Verbal promises.

**Grants submissions may include, but are not limited to,**

1. Federal grants;
2. State grants;
3. Local grants; and
4. Private and corporate foundation grants.

***PROCEDURE***

Divisions are responsible for notifying HCDE leadership of proposed commitments. They must ensure that reviews are completed by Resource Development, Executive Team, Business Services, Human Resources and relevant Assistant Superintendent. HCDE division directors **must** obtain Executive Team approval and the Superintendent or their designee's signature on relevant documentation prior to committing HCDE resources.

**Commitment of Resources**

1. During preliminary planning, the division Director coordinating plans to commit to an initiative:
  - a. Presents a draft plan including 1) an final overview of the proposed commitment(s) and 2) associated in-kind contributions with a breakdown of costs for Resource Development consideration; and

- b. Obtains Executive Team approval with Resource Development's assistance.

Note: Notify and provide Resource Development with the requested documentation **at least ten working days** before the final commitment is needed. This will allow time to schedule with Executive Team and obtain the necessary approvals.

2. If a division plans to commit HCDE resources **in support of another organization's initiative**, they must prepare and submit the following to Resource Development:

- a. an abstract or project summary; **and**
    - ♦ draft letter of commitment; **or**
    - ♦ draft memorandum of agreement/understanding; **plus**
  - b. associated costs

Note: These documents are to be prepared in such a way as to share with the public.

3. Resource Development reviews each and consolidates proposed division commitments for presentation to the Executive Team and invites the relevant division to participate in the presentation.
  - a. Divisions will answer questions as to whether additional personnel and/or space are needed; and if a match is required/requested.
  - b. RD prepares a memo attaching the submitted division summaries; letters of commitment/MOU's; and budget information for ET review.
  - c. RD and/or division directors attend ET meetings and responds to questions as posed by members.

Note: In many cases, RD will prepare an email with the required information and attachments for ET consideration and decision as follows. (Refer to attached email format)

4. If HCDE leadership does not have an Executive Team meeting within the required timeframe and projects have tight deadlines, Resource Development will conduct an email approval process.
  - a. Utilizing division data as described above, RD will create an email with a table reflecting proposed commitment; space – yes/no; personnel – yes/no; and match – yes/no embedded in the message.
  - b. RD will attach the submitted division summaries and other relevant information.
  - c. RD will use Outlook email options (yes; no) as responses from ET members; division contacts are also included to receive the responses, as they occur.

5. RD will work with the division and Superintendent's office to prepare and obtain signatures on the letters of commitments/memorandum of understanding.

Note: Signatures will occur after official approval from ET is obtained.

6. Executive Team determines what level of board communication the commitment will require:

- a. Friday Board Packet
  - b. Information item on board agenda
  - c. Action item on board agenda – approval or ratification
7. Resource Development will notify the division of Executive Team's determination.
8. Divisions will prepare supporting documentation for each level of communication - Friday board packet, information items and action items.
9. Obtain Board Approval or Ratification\* after Resource Development review and Executive Team determination that an action item for the board is required.
  - a. Division director prepares and submits an anticipated agenda item form for approval or ratification of commitment of HCDE Resources to Resource Development, supervisor, and Superintendent's secretary.
  - b. Division Director will forward the supporting documentation in the order below as a PDF to Resource Development to prepare a consolidated action/information item for the monthly board agenda as follows:
    - Copy of form of commitment (letter, MOU, etc.)
    - Copy of the summary budget, if applicable
    - Executive summary or abstract
  - c. Resource Development staff prepares and submits a hard copy and electronic version (**PDF**) of the draft board agenda item(s), with a copy of the supporting documentation provided by the division to Assistant Superintendents for approval.
  - d. Upon approval, the Director of Resource Development submits the item to the Superintendent's Secretary for placement on the board agenda.
  - e. On board date, the Director and relevant Division Director present the proposed plan to the HCDE board of trustees for their approval/ratification.

\* Division will follow board agenda item guidance provided by the Superintendent's office, ensuring timely delivery of supporting documentation.

### **Grant Submissions**

Resource Development and/or the division completing the grant\* will present **prospective grant submissions** to Executive Team and other relevant divisions for approval.

\* Resource Development works with various divisions to submit grant proposals and follows the stated procedures. Some proposals are completed and submitted by program divisions. In these cases, the relevant division must also implement the procedures as follows:

1. As the preliminary project design is developed and prior to submission of the proposal, the division director/project coordinator will present relevant sections of the proposal to the following for their input and approval.
  - a. **Business Services** – including budget and budget narrative, maintenance of effort and indirect cost

- b. **Human Resources** – personnel strategy and proposed job descriptions
  - c. **Technology** – use of technology and personnel, and supply needs
  - d. **Facilities** – anticipated office space needs, staffing plan and support needs
  - e. **Assistant Superintendent** – proposed program design and budget and HCDE contributions (requires use of tax revenues?), if any.
2. During preliminary planning, the division Director coordinating submission of a proposal must:
- a. Present a draft plan including 1) an overview of the proposed grant submission and 2) a breakdown of relevant costs including any match amounts to Resource Development for their assistance in obtaining Executive Team approval.

Note: Notify and provide Resource Development with required documentation **at least ten days** before the final proposal is submitted. This will allow time to schedule with Executive Team and obtain the necessary approvals.

3. Resource Development reviews each and consolidates proposed grant submission commitments for presentation to the Executive Team and invites the relevant division to participate in the presentation.
- a. Divisions will answer questions as to whether additional personnel and/or space are needed; and if a match is required/requested.
  - b. RD prepares a memo attaching the submitted division summaries; letters of commitment/MOU's; and budget information for ET review.
  - c. RD and/or division directors attend ET meetings and responds to questions as posed by members.

Note: In many cases, RD will prepare an email with the required information and attachments for ET consideration and decision as follows. (Refer to attached email format)

4. If HCDE leadership does not have an Executive Team meeting within the required timeframe and projects have tight deadlines, Resource Development will conduct an email approval process.
- a. Utilizing division data as described above, RD will create an email with a table reflecting proposed grant submission; space – yes/no; personnel – yes/no; and match – yes/no embedded in the message.
  - b. RD will attach the submitted division summaries and other relevant information.
  - c. RD will use Outlook email options (yes; no) as responses from ET members; division contacts are also included to receive the responses, as they occur.
5. The division director will coordinate the Proposal Development team reviews and edits. This team will review the narrative sections of the proposal individually and as a whole as they are completed. Proposal Development team may include, but is not limited to,
- ♦ division director and staff,
  - ♦ division supervisor,
  - ♦ Resource Development,

- ♦ Technology,
- ♦ Facilities,
- ♦ Business Services,
- ♦ Human Resources and
- ♦ Assistant Superintendent.


Note: Responsibility for completion of review process lies with the division submitting the proposal.

The complexity of the proposal and potential impact of the grant on the organization determines the involvement of the team members. For instance, initial applications for Head Start and Early Childhood Intervention required meetings that included all aforementioned participant divisions.

6. The division Director provides a copy of the proposal for Resource Development staff review **at least one week** prior to submission.
7. Resource Development will conduct a proposal review and comment and report the findings to the division director/project coordinator prior to submission of the grant.
  - ♦ In the case that the deadline of submission of a continuation grant conflicts with timing for a proposal review, the deadline takes precedence.
  - ♦ If this were to occur, the director submitting the proposal must continue through Steps I, II AND III.
8. Obtain Board Approval or Ratification
  - d. Division director prepares and submits an anticipated agenda item form for approval or ratification of grants submission or commitment of HCDE Resources to Resource Development, supervisor and Superintendent's secretary.
  - e. Division Director will forward supporting documentation in the order below as a **PDF** to Resource Development to prepare a consolidated action/information item for the monthly board agenda as follows.
    - ♦ Copy of the cover page with signature of authorizing official
    - ♦ Copy of the project budget summary
    - ♦ Executive summary or abstract
  - c. Resource Development staff prepares and submits a hard copy and electronic version of the draft board agenda item(s), with a copy of the supporting documentation provided by the division to Assistant Superintendents for approval.
  - d. Upon approval, the Director submits the item to the Superintendent's Secretary for placement on the board agenda.
  - e. On board date, the Director and relevant Division Director present the proposed plan to the HCDE board of trustees for their approval/ratification.

## 7. Distribute Submitted Proposals

- a. The Division that submits the final signed proposal will create and email a PDF version of the proposal to Resource Development for distribution to the following:
  - County School Superintendent
  - Assistant Superintendents (3)
  - Chief Information Officer
  - Consultant to the HCDE Board
  - Director, Resource Development
- b. Resource Development will save the PDF within two shared drives. One drive shares all division proposals and the other shares proposals with Executive Team. RD will email the "HCDE Submitted Proposals" link to the ET distribution list, highlighting recently added proposals.

	<div>GRANT PROCEDURES</div> <div>HARRIS COUNTY DEPARTMENT OF EDUCATION</div>	Reference: <a href="#"><u>CH (LOCAL)</u></a>
DATE DEVELOPED: 1/7/09	REVISED DATE: 1/7/09	
SUBJECT: Processing of Grant Awards with Education Foundation of Harris County		

### **Purpose**

To provide guidelines for the processing of Notices of Grant Award (NOGA) from the Education Foundation of Harris County (EFHC):

### **Procedure**

The procedure for processing the EFHC grant awards will include the following steps.

#### **Education Foundation of Harris County**

The EFHC generates funds from the private sector and distributes some of these funds to HCDE's divisional programs.

Step 1: Funds are generated by the (EFHC) Foundation; an Award Letter is received by EFHC from a particular donor, etc.

#### **Responsibilities of EFHC**

Step 2: **EFHC** will create a donation award letter for these funds. When funds are received from a particular donor, the EFHC's will retain 10% administration. The Donation Award Letter will include the standard format as identified by the Business Office.

Step 3: **EFHC's** Executive Director will sign the donation award letter, and send it to the Contract Coordinator for signature with a copy to the director of the division receiving the grant.

Step 4: **EFHC** will distribute those funds as appropriate to various HCDE divisions through the Business Office.

#### **Responsibilities of Business Office**

Step 5: The **Business Office** will implement the follow procedures:

- a) Receive donation award letter from EFHC
- b) Complete a contract processing form and submit one (1) original and two (2) copies of the award letter to Purchasing Department/Contract Coordinator's Office.
- c) Sign the donation award letter
- d) Deposit all funds upon receipt to the appropriate division's budget
- e) Create review grant budget

- f) Account for the funds as local grants subject to public funds compliance
- g) Notify donation/grant recipient of accounting procedure to be followed
- h) Notify divisions of this procedure

#### **Responsibilities of Contract Coordinator**

Step 5: **Contract Coordinator** will log the donation award into the contract database and process the donation award letter for appropriate signatures from HCDE Business Office and EFHC Executive Director.

Step 6: Once donation award letter has been signed by both parties, Contract Coordinator will file original in contract database and return one (1) copy to EFHC and one (1) copy to appropriate division director.

#### **Responsibilities of Division receiving grant(s)**

Step 7: The Division receiving the grant will create an anticipated agenda item for next board meeting and send to the appropriate personnel along with copy of signed award letter as supporting documentation.

#### **Accounting Procedure to be followed:**

When a billing occurs, and the local grant is charged \$750 per day for the consultant. The cost of the consultant is \$377.65; therefore, we will make the following adjustment after the Business Office is notified of the activity taking place.

Expenditures:


Debit: 498-9-13-303-99-303-61 xxxxxx	\$750.00 (Charge expense to grant)
Credit 199-9-13-303-99-303-61 xxxxxx	\$377.65 (Reduce Expense for the cost of the personnel)

Revenues:

199-9-00-303-00-303-572-6-0	\$372.35 (Increase the NET revenue of the division)
-----------------------------	---

Once the division is self sufficient, a budget amendment can be prepared to increase estimated revenues and appropriations.



	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:
DATE DEVELOPED: 04/01/2006		
REVISED DATE: 6/30/18		
SUBJECT: Grant Indirect Cost-Definition, Establishing the Rate, Limits & Accounting for Indirect Cost (IC)		

### **Purpose**

Business Services will establish an annual indirect cost rate and operate as a part of the grant team to lend its expertise to the development of grant applications and reporting. Total Federal grant program costs, multiplied by the indirect cost rate, equals total indirect costs.

Approved indirect cost rates are valid for one year July 1-June 30.

### **Responsibility**

Senior Accountant

### **Definition**

Indirect cost revenues recognized in the General Fund are intended to defray the cost of providing certain services (including but not limited to accounting, auditing, payroll processing, technology support, and HR) to grant programs. These business costs are incurred by HCDE as a whole, and an attempt to maintain separate time and effort accounting for each specific grant would be prohibitive. By calculating and using an indirect cost rate, indirect cost revenues can be transferred from the grant to the general fund to compensate HCDE for department-wide expenditures used to facilitate the grant.

It is not necessary to track the use of indirect cost revenues once they are transferred to the General Fund. Once earned, the revenues may be used for any education-related expenditure, including administrative costs and fixed costs incurred in administering the grant.

### **Establishing the IC Rate**

Indirect cost rates are established to determine the amount of indirect cost revenue that can be recorded in the General Fund.

Business Services will complete the necessary process to obtain an indirect cost rate from the Texas Education Agency (TEA). TEA, in cooperation with the U.S. Department of Education, has developed an indirect cost plan to be used by school districts in Texas. This plan includes HCDE.

OMB Circular A-87, which establishes cost principles and standards for federally funded grants, is a key resource for indirect cost information. The Circular includes provisions for determining indirect cost rates for grantees and sub-grantees of federal grants and contracts.

The rate will be communicated to other HCDE personnel-including but not limited to Resource Development, federal grant budget managers, and Executive Team-as soon as it is received.

### **Limits**

There are three major limitations affecting how much indirect cost may be recovered:


- Federal law or grant conditions may limit the amount of indirect cost that can be earned. For example, if HCDE has a rate of 7.5% and the law only allows 5%, then HCDE can recover indirect costs equal to only 5% of the direct costs. Some grants may contain terms and conditions that limit the amount of indirect cost allowable or prohibit any recovery of indirect costs.
- Recovery of indirect costs on grants is subject to the availability of funds. The total direct costs for the grant plus the indirect costs earned cannot exceed the maximum grant entitlement.
- Indirect costs can be recovered only to the extent that HCDE makes direct program expenditures. The indirect cost rate is applied to the eligible direct cost amount expended not to the amount of the grant award.

### **Accounting for IC**

Various programs use the indirect cost rate when they apply for federal grants. If a grant award period is longer than the 7/1-6/30 indirect cost effective period, then more than one rate will apply.

Reimbursement Requests: When indirect cost revenues are earned as a result of a reimbursement request, a journal entry will be prepared and entered to record the receipt of IC in the General Fund.

Final Expenditure Report: Indirect cost revenues receivable as a result of the final report will be posted to the General Fund when the final report is prepared; indirect cost revenues will be posted to receivables upon receipt at year end.

	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:
DATE DEVELOPED: 04/01/2006	REVISED DATE: 05/15/2009	
SUBJECT: Grant Indirect Cost Calculation		

### **Purpose**

Divisions will use the restricted indirect cost rate approved by the Texas Education Agency in preparing grant applications. Total grant program costs, multiplied by the indirect cost rate, equals total indirect costs. HCDE policy requires budget managers to budget the maximum indirect cost allowable under the grant.

Indirect cost rates are valid for one year July 1-June 30. More than one indirect cost rate must be used to calculate indirect cost when a grant period is longer than this period.

### **Instructions**

*NOTE: Given an indirect cost rate of 8%.*

Grant Award Total:		\$ 100,000 (A)
Less Non-Allowable Costs: <i>(Double check your specific grant.)</i>		
Tuition	\$ 0	
Food	0	
Non-employee Stipends	1,000	
Payments to SSAs *	31,500	
Debt Service	0	
Building Improvements	0	
Capital Outlay	15,000	
Total Non-Allowable Costs:	- 47,500	(B)
Total Allowable Costs Before Indirect Cost:		\$ 52,500 (C)


Total Allowable Costs After Indirect Cost:	
'Total Allowable Costs Before Indirect Cost'	
divided by 1.08, then <b>round up</b> to the	
next whole dollar: $(\$52,500.00/1.08 = \$48,611.11)$	
Total Allowable Costs After Indirect Cost:	- 48,612 (D)
Total Indirect Cost: (C) less (D)	\$ 3,888 (E)

### **CALCULATION RECAP**

Total Non-Allowable Costs	\$ 47,500 (B)
+ Total Allowable Costs After Indirect Cost	48,612 (D)

+ Total Indirect Costs  
= Grant Award Total

+ 3.888 (E)  
\$ 100,000 (A)

	<b>ACCOUNTING PROCEDURES</b> HARRIS COUNTY DEPARTMENT OF EDUCATION		Reference:
	DATE DEVELOPED: 07/18/2018                      REVISED DATE: 07/18/2018		
SUBJECT: Grant Indirect Distribution in General Fund			

**Purpose**

Indirect cost earned from grants is recorded in the General Fund, and it is used to fund part of the Human Resources, Business Service, Technology and Adult Education expenditures.

**Grants Indirect Cost calculations**

Divisions will use the restricted indirect cost rate approved by the Texas Education Agency in preparing grant applications or the maximum rate allowed by the grantor. Total grant program costs, multiplied by the indirect cost rate, equals total indirect costs. HCDE policy requires budget managers to budget the maximum indirect cost allowable under the grant.

Indirect cost rates are valid for one year July 1-June 30. More than one indirect cost rate must be used to calculate indirect cost when a grant period is longer than this period.

**Indirect cost distribution**

When the grant drawdowns are prepared in a monthly basis, the indirect cost earned is calculated. When the monies are received, a journal entry is prepared to record the cash received. The indirect cost amount is recorded in the general fund as revenue in the department wide budget manager division. When all the monthly transactions are recorded, the monthly indirect cost earned is distributed to the Human Resources, Business Service, Technology and Adult Education divisions as follows:

- The first allocation is to the Adult Education Division. The year to date expenditure report is printed and is compared to the year to date revenue for this division. If there is difference, indirect cost is allocated to cover the difference.
- Once the Adult Ed allocation is done, the remainder of the monthly indirect cost is allocated to Human Resources, Business Service and Technology is based on the divisions annual expenditure budget.
- This distribution is calculated each month.
- At fiscal year-end once all accruals and expenditures have been posted, the final indirect cost distribution is done based on actual expenditure percentages between Human Resources, Business Service and Technology rather than expenditure budgets. Adult Education expenditures will always be covered first and the remainder will be allocated to the other three divisions.
- The following excel spreadsheet is used for the distribution of the indirect cost:

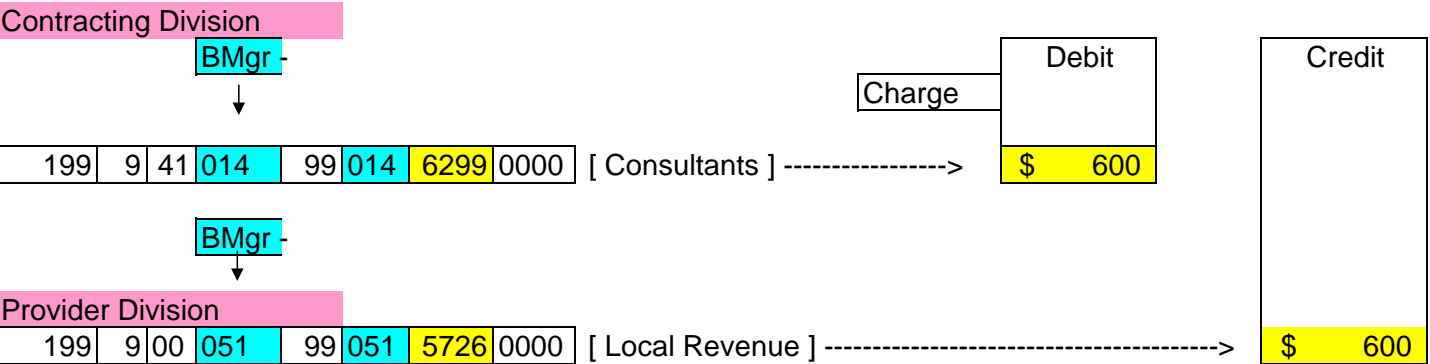
Indirect Cost Distribution and Reconciliation													
FY 2017-2018													
(Run Detail Revenue Status Report-Loc 098)													
Grand Total Year-to-Date	Expenditure	158,537.45	32,032.34	758,197.06	-	3,432.54	-	-	-	2,729.38	78,918.93	1,043.98	1,011,046.46
Grant Name		Ad Ed-Reg	Ad Ed-State	HS-Jan-Aug	HS-Sept-Dec	AdEd-TANF	AdEd-TANF	ECI-DARS	Am Corp	TEA Cy 8	HS/CCP Sep-Dec	Case Cy9 Yr1	Totals
Account Number		59990001	58990001	59990006	59990007	59990008	58990008	59990009	59990021	59990023	59990107	59990042	
June Indirect Cost Collected		30,516.93	896.75	83,673.61		49.70				1,652.87	12,337.30	652.66	129,779.82
Adult Ed - BM 201	100%	99,566.89											11,935.64
		11,935.64											
		18,581.29											
Human Resources - BM 030	17%		152.45	14,224.51		8.45				280.99	2,097.34	110.95	20,033.51
Business Services - BM 050	31%		277.99	25,938.82		15.41				512.39	3,824.56	202.32	36,531.70
Technology - BM 090	52%		466.31	43,510.28		25.84				859.49	6,415.40	339.38	61,278.97
Totals:		49,098.22	896.75	83,673.61	-	49.70	-	-	-	1,652.87	12,337.30	652.66	129,779.82
Grand Total Year-to-Date		207,635.67	32,929.09	841,870.67	-	3,482.24	-	-	-	4,382.25	91,256.23	1,696.64	1,140,826.28

Sample Procedure:

A division contracts with another division to provide a service(s) within GENERAL FUND:

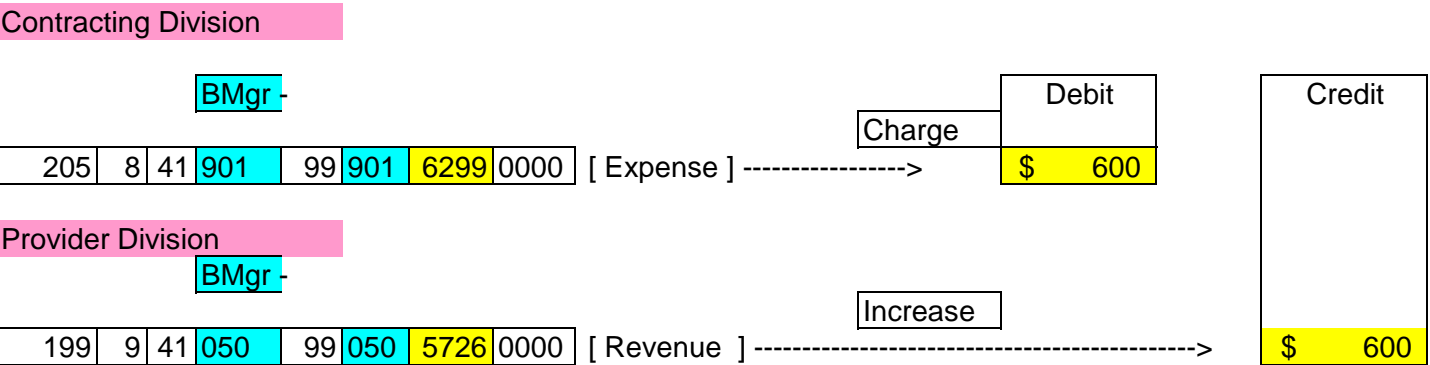
Steps


- 1 Determine the amount to be charged to the division for the service.
- 2 Identify the revenue budget code and budget manager
- 3 Once services has been completed, the provider need to send invoice to the contracting division
- 4 Send explanation memo describing the agreement to the Chief Accounting Officer so that a journal entry can be processed in the general ledger.  
The memo should explain which Budget Manager is providing the services and which Budget Manager is being charged the cost.  
The contracting division is the division that needs the service.  
The provider division is the division which delivers the service.



A division contracts with another division to provide a service between Funds -say GENERAL FUND and HEAD START FUND

Note: Offsetting Cash or Due to/from.



	<b>ACCOUNTING PROCEDURES</b> HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:
	DATE DEVELOPED: 07/18/2018                      REVISED DATE: 07/18/2018	
SUBJECT: Grant Indirect Distribution in General Fund		

### Purpose

Indirect cost earned from grants is recorded in the General Fund, and it is used to fund part of the Human Resources, Business Service, Technology and Adult Education expenditures.

### Grants Indirect Cost calculations

Divisions will use the restricted indirect cost rate approved by the Texas Education Agency in preparing grant applications or the maximum rate allowed by the grantor. Total grant program costs, multiplied by the indirect cost rate, equals total indirect costs. HCDE policy requires budget managers to budget the maximum indirect cost allowable under the grant.

Indirect cost rates are valid for one year July 1-June 30. More than one indirect cost rate must be used to calculate indirect cost when a grant period is longer than this period.

### Indirect cost distribution

When the grant drawdowns are prepared in a monthly basis, the indirect cost earned is calculated. When the monies are received, a journal entry is prepared to record the cash received. The indirect cost amount is recorded in the general fund as revenue in the department wide budget manager division. When all the monthly transactions are recorded, the monthly indirect cost earned is distributed to the Human Resources, Business Service, Technology and Adult Education divisions as follows:

- The first allocation is to the Adult Education Division. The year to date expenditure report is printed and is compared to the year to date revenue for this division. If there is difference, indirect cost is allocated to cover the difference.
- Once the Adult Ed allocation is done, the remainder of the monthly indirect cost is allocated to Human Resources, Business Service and Technology is based on the divisions annual expenditure budget.
- This distribution is calculated each month.
- At fiscal year-end once all accruals and expenditures have been posted, the final indirect cost distribution is done based on actual expenditure percentages between Human Resources, Business Service and Technology rather than expenditure budgets. Adult Education expenditures will always be covered first and the remainder will be allocated to the other three divisions.
- The following excel spreadsheet is used for the distribution of the indirect cost:

Indirect Cost Distribution and Reconciliation FY 2017-2018 (Run Detail Revenue Status Report-Loc 098)													
Grand Total Year-to-Date	Expenditure	158,537.45	32,032.34	758,197.06	-	3,432.54	-	-	-	2,729.38	78,918.93	1,043.98	1,011,046.46
Grant Name		Ad Ed-Reg	Ad Ed-State	HS-Jan-Aug	HS-Sept-Dec	AdEd-TANF	AdEd-TANF	ECI-DARS	Am Corp	TEA Cy 8	HS/CCP Sep-Dec	Case Cy9 Yr1	Totals
Account Number		59990001	58990001	59990006	59990007	59990008	58990008	59990009	59990021	59990023	59990107	59990042	
June Indirect Cost Collected		30,516.93	896.75	83,673.61		49.70				1,652.87	12,337.30	652.66	129,779.82
Adult Ed - BM 201	100%	99,566.89											11,935.64
			11,935.64										
			18,581.29										
Human Resources - BM 030	17%		3,158.82	152.45	14,224.51		8.45			280.99	2,097.34	110.95	20,033.51
Business Services - BM 050	31%		5,760.20	277.99	25,938.82		15.41			512.39	3,824.56	202.32	36,531.70
Technology - BM 090	52%		9,662.27	466.31	43,510.28		25.84			859.49	6,415.40	339.38	61,278.97
Totals:			49,098.22	896.75	83,673.61	-	49.70	-	-	1,652.87	12,337.30	652.66	129,779.82
Grand Total Year-to-Date			207,635.67	32,929.09	841,870.67	-	3,482.24	-	-	4,382.25	91,256.23	1,696.64	1,140,826.28

**GRANT MANAGEMENT AND ACCOUNTING**  
**for all Federal and State Grants**  
**List of Contents**

**TITLE**

---

Program Overview.....	
Financial Management Overview.....	
Allowable Costs.....	
Expenditure Obligations.....	
Administrative Costs.....	
Indirect Cost.....	
Cost Allocation Method.....	
Cash Management.....	
Budgeting & Monitoring.....	
Financial Reporting.....	
Contractual & Lease Requirements.....	
Travel Guidelines.....	
Records Management.....	
Property Management.....	
Procurement .....	
Audit Requirements.....	



## **Program Overview: Head Start**

### What Is Head Start Area 1?

Head Start Area 1 is one of many federally-funded programs for which the Harris County Department of Education (HCDE) serves as grantee. Head Start is a comprehensive child development program with a goal of school readiness and an emphasis on parent participation. It is designed for children in low-income families and those with special needs such as disabilities or difficult family circumstances. Head Start provides services to 3 and 4 year old children to help prepare them for kindergarten and beyond. Area 1 Head Start supports the geographical areas located within the boundaries on the north, south, east and west of Harris County.

### Services Provided

The Head Start program is a national program administered by the Department of Health and Human Services. Head Start offers services in Education and Early Child Development, Health, Nutrition, Family Services, Mental Wellness and Disability services for all eligible children and family members. Families who meet eligibility requirements may apply for Head Start services at no charge.

### Purpose of Policy and Procedure Manual

The purpose of this manual is to define and interpret the standards, rules and regulations set-forth by the Department of Health and Human Services. It is an effort to provide guidelines for all Head Start staff and interested parties to insure adequate financial management of grant funds required by the Department of Health and Human Services as well as HCDE.

All questions and concerns should be directed to:

Venetia Peacock  
Senior Director of Head Start  
6300 Irvington Boulevard  
Houston, Texas 77022  
(713) 672-9343

Or

Jesus J. Amezcua, Ph.D., CPA, RTSBA  
Assistant Superintendent for Business Support Services  
6300 Irvington Boulevard  
Houston, Texas 77022  
(713) 696-1371

## **Program Overview: Adult Ed Program**

### Adult Education Programs Services

The Adult Ed Division of the Harris County Department of Education (LMISD) serves as contractor to the Houston-Galveston Area Council (HGAC) for the Adult Education and Literacy state and federal grants. Adult Ed provides services for GED and ESL classes and other coursework with the goal of improving the educational attainment of the Harris County and Liberty County workforce.

It is designed for adults that need to receive their GED Certificate, improve basic academic skills, learn English and pass the citizenship exam. Adult Ed services are provided to adults above 17 years old. Adult Ed. Program supports the geographical areas located within the boundaries on the North, South, East and West of Harris County and all of Liberty County.

### Services Provided

The Adult Ed program is a national program administered by the Texas Workforce Commission. Adult Ed offers services in adult education classes for all eligible adults and family members. Adults who meet eligibility requirements may apply for Adult Ed services at no charge.

### Purpose of Policy and Procedure Manual

The purpose of this manual is to define and interpret the standards, rules and regulations set-forth by the Uniform Grant Guidance as effective Dec 2014.. It is an effort to provide guidelines for all Adult Ed staff and interested parties to insure adequate financial management of grant funds required by the Department of Education and the Texas Workforce Commission as well as LMISD.

All questions and concerns should be directed to:

Stefanie Ross  
Director of Adult Education  
6515 Irvington Boulevard  
Houston, Texas 77022  
(713) 691-8765

Or

Jesus J. Amezcua, Ph.D., CPA, RTSBA  
Assistant Superintendent for Business Support Services  
6300 Irvington Boulevard  
Houston, Texas 77022  
(713) 696-1371

## **Program Overview: After School Programs**

### After School Programs Services

The CASE Division is one of many programs for which the Harris County Department of Education (HCDE) serves as grantee. CASE provides services for after school programs with the intent to improve the education of Harris County students.

It is designed for K-12 schools that need to implement after school programs. CASE programs services are provided to students above 4 years old. CASE Program supports the geographical areas located within the boundaries on the Harris County.

### Services Provided

The CASE program is a program funded by multiple sources. Among these are the Houston Endowment, HGAC, TEA, City of Houston and others. CASE offers services in after school programming for all eligible students who meet eligibility requirements at no charge.

### Purpose of Policy and Procedure Manual

The purpose of this manual is to define and interpret the standards, rules and regulations set-forth by the Uniform Grant Guidance as effective Dec 2014. It is an effort to provide guidelines for all CASE staff and interested parties to insure adequate financial management of grant funds required by the Department of Education and the various funding sources as well as HCDE.

All questions and concerns should be directed to:

Lisa Caruthers, Ph.D.  
CASE Director  
6005 West View  
Houston, Texas 77055  
(713) 696-1336

Or

Jesus J. Amezcua, Ph.D., CPA, RTSBA  
Assistant Superintendent for Business Support Services  
6300 Irvington Boulevard  
Houston, Texas 77022  
(713) 696-1371

## **Program Overview: Misc Grant Programs**

### MISC grant programs services

Various divisions receive miscellaneous grants from other organizations, and HCDE Harris County Department of Education (HCDE) serves as grantee. Each Division receiving grants provides services with the intent to improve the education of Harris County students.

A description of each grant is received from the funding organization, and the services established through a letter of award. See HCDE Financial Operating Guide for grants.

### Purpose of Policy and Procedure Manual

The purpose of this manual is to define and interpret the standards, rules and regulations set-forth by the Uniform Grant Guidance as effective Dec 2014. It is an effort to provide guidelines for all division staff and interested parties to insure adequate financial management of grant funds required by the respective granting agency and the various funding sources as well as HCDE.

All questions and concerns should be directed to the Business Office who will identify the respective program manager or director as necessary:

Jesus J. Amezcua, Ph.D., CPA, RTSBA  
Assistant Superintendent for Business Support Services  
6300 Irvington Boulevard  
Houston, Texas 77022  
(713) 696-1371

## Financial Management Overview

To ensure prudent financial management of the various programs, all federal rules, regulations and standards must be adhered to maintain and continue funding. HCDE is committed to ensuring that adequate internal controls are in place to satisfy the requirements of governing bodies.

### Uniform Grant Guidance

**HCDE** will follow the uniform grant guidance as approved by the federal government on December 2014. Any updates from the Office of Management and Budget will be incorporated into the manual as applicable from the respective granting federal agency.

**Respective granting agency** can be (but not limited to):

1. Corporation for National Community Service
2. Health and Human Services
3. Department of Education
4. National Aeronautics and Space Agency NASA
5. Department of Agriculture USDA

The uniform grant guidance includes adhering to all applicable areas and in specific with **title 2 of the federal code regulations subtitle A, Chapter II, Part 200**. The contents include the following:

**Subpart A** are the definitions 200.0 to 200.99 (**HCDE**)

**Subpart B** are general provisions 200.100 to 200.113 (**HCDE**)

**Subpart C** are pre-award requirements and contents of federal awards – (granting agency)

**Subpart D** are the Post Federal Award Requirements (granting Agency)

**Subpart E** are the Cost Principles (**HCDE**)

**Subpart F** are the Audit requirements (**Auditor-HCDE**)

As described in §200.110 Effective/applicability date, **this part supersedes the following OMB guidance documents and regulations** under Title 2 of the Code of Federal Regulations:

- (a) A-21, “Cost Principles for Educational Institutions” (2 CFR part 220);
- (b) A-87, “Cost Principles for State, Local and Indian Tribal Governments” (2 CFR part 225) and also FEDERAL REGISTER notice 51 FR 552 (January 6, 1986);
- (c) A-89, “Federal Domestic Assistance Program Information”;
- (d) A-102, “Grant Awards and Cooperative Agreements with State and Local Governments”;
- (e) A-110, “Uniform Administrative Requirements for Awards and Other Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations” (codified at 2 CFR 215);
- (f) A-122, “Cost Principles for Non-Profit Organizations” (2 CFR part 230);
- (g) A-133, “Audits of States, Local Governments and Non-Profit Organizations”;

and

- (h) Those sections of A-50 related to audits performed under Subpart F—Audit Requirements of this part.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75882, **Dec. 19, 2014**]

## Contents

### Subpart A—Acronyms and Definitions

#### ACRONYMS

- §200.0 Acronyms.
- §200.1 Definitions.
- §200.2 Acquisition cost.
- §200.3 Advance payment.
- §200.4 Allocation.
- §200.5 Audit finding.
- §200.6 Auditee.
- §200.7 Auditor.
- §200.8 Budget.
- §200.9 Central service cost allocation plan.
- §200.10 Catalog of Federal Domestic Assistance (CFDA) number.
- §200.11 CFDA program title.
- §200.12 Capital assets.
- §200.13 Capital expenditures.
- §200.14 Claim.
- §200.15 Class of Federal awards.
- §200.16 Closeout.
- §200.17 Cluster of programs.
- §200.18 Cognizant agency for audit.
- §200.19 Cognizant agency for indirect costs.
- §200.20 Computing devices.
- §200.21 Compliance supplement.
- §200.22 Contract.
- §200.23 Contractor.
- §200.24 Cooperative agreement.
- §200.25 Cooperative audit resolution.
- §200.26 Corrective action.
- §200.27 Cost allocation plan.
- §200.28 Cost objective.
- §200.29 Cost sharing or matching.
- §200.30 Cross-cutting audit finding.
- §200.31 Disallowed costs.
- §200.32 [Reserved]
- §200.33 Equipment.

*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 equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000.** See also §§200.12 Capital assets, 200.20 Computing devices, 200.48 General purpose equipment, 200.58 Information technology systems, 200.89 Special purpose equipment, and 200.94 Supplies.

**HCDE has a capitalization policy of more than \$5000 in accordance with CFB Local Policy.**

- §200.34 Expenditures.
- §200.35 Federal Agency.
- §200.36 Federal Audit Clearinghouse (FAC).
- §200.37 Federal Awarding agency.
- §200.38 Federal Award.
- §200.39 Federal Award date.
- §200.40 Federal financial assistance.
- §200.41 Federal interest.
- §200.42 Federal program.
- §200.43 Federal share.
- §200.44 Final cost objective.
- §200.45 Fixed amount awards.
- §200.46 Foreign public entity.
- §200.47 Foreign organization.
- §200.48 General purpose equipment.
- §200.49 Generally Accepted Accounting Principles (GAAP).
- §200.50 Generally Accepted Government Auditing Standards (GAGAS).
- §200.51 Grant agreement.
- §200.52 Hospital.
- §200.53 Improper payment.
- §200.54 Indian tribe (or “federally recognized Indian tribe”).
- §200.55 Institutions of Higher Education (IHEs).
- §200.56 Indirect (facilities & administrative (F&A)) costs.
- §200.57 Indirect cost rate proposal.
- §200.58 Information technology systems.
- §200.59 Intangible property.
- §200.60 Intermediate cost objective.
- §200.61 Internal controls.
- §200.62 Internal control over compliance requirements for Federal awards.
- §200.63 Loan.
- §200.64 Local government.
- §200.65 Major program.
- §200.66 Management decision.
- §200.67 Micro-purchase.

*Micro-purchase* means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of a non-Federal entity's small purchase procedures. The non-Federal entity uses such procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions). It is **\$3,000** except as otherwise discussed in Subpart 2.1 of that regulation, but this threshold is periodically adjusted for inflation.

**HCDE has a more restrictive policy at \$2,500.**

- §200.68 Modified Total Direct Cost (MTDC).
- §200.69 Non-Federal entity.
- §200.70 Nonprofit organization.
- §200.71 Obligations.
- §200.72 Office of Management and Budget (OMB).
- §200.73 Oversight agency for audit.
- §200.74 Pass-through entity.
- §200.75 Participant support costs.
- §200.76 Performance goal.
- §200.77 Period of performance.
- §200.78 Personal property.
- §200.79 Personally Identifiable Information (PII).
- §200.80 Program income.
- §200.81 Property.
- §200.82 Protected Personally Identifiable Information (Protected PII).
- §200.83 Project cost.
- §200.84 Questioned cost.
- §200.85 Real property.
- §200.86 Recipient.
- §200.87 Research and Development (R&D).

**§200.88 Simplified acquisition threshold.**

*Simplified acquisition threshold* means the dollar amount below which a non-Federal entity may purchase property or services using small purchase methods. Non-Federal entities adopt small purchase procedures in order to expedite the purchase of items costing less than the simplified acquisition threshold. The simplified acquisition threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions) and in accordance with 41 U.S.C. 1908. As of the publication of this part, the simplified acquisition threshold is **\$150,000**, but this threshold is periodically adjusted for inflation. (Also see definition of §200.67 Micro-purchase.)

**NOTE: HCDE uses a more restrictive threshold under policies CH Legal and CH Local.**

- §200.89 Special purpose equipment.
- §200.90 State.
- §200.91 Student Financial Aid (SFA).
- §200.92 Sub-award.
- §200.93 Sub-recipient.
- §200.94 Supplies.
- §200.95 Termination.
- §200.96 Third-party in-kind contributions.
- §200.97 Un-liquidated obligations.
- §200.98 Unobligated balance.
- §200.99 Voluntary committed cost sharing.



## Subpart B—General Provisions

§200.100 Purpose.	As noted in subtitle.
§200.101 Applicability.	As noted in subtitle.
§200.102 Exceptions.	As noted in subtitle.
§200.103 Authorities.	As noted in subtitle.
§200.104 Supersession.	As noted in subtitle.
§200.105 Effect on other issuances.	As noted in subtitle.
§200.106 Agency implementation.	As noted in subtitle.
§200.107 OMB responsibilities.	As noted in subtitle.
§200.108 Inquiries.	As noted in subtitle.
§200.109 Review date.	As noted in subtitle.
§200.110 Effective/applicability date.	As noted in subtitle.

§200.111 English language.

**HCDE will make the provision available in English and prevailing languages.**

§200.112 Conflict of interest.

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

**HCDE has incorporated this section into policy BBFA Local.**

§200.113 Mandatory disclosures.

The non-Federal entity or applicant for a Federal award must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to make required disclosures can result in any of the remedies described in §200.338 Remedies for noncompliance, including suspension or debarment. (See also 2 CFR part 180 and 31 U.S.C. 3321).

**HCDE has incorporated this section into policy BBFA Local.**

## Subpart C—Pre-Federal Award Requirements and Contents of Federal Awards

### For Granting Agencies

§200.200 Purpose.
§200.201 Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts.
§200.202 Requirement to provide public notice of Federal financial assistance programs.
§200.203 Notices of funding opportunities.
§200.204 Federal awarding agency review of merit of proposals.
§200.205 Federal awarding agency review of risk posed by applicants.
§200.206 Standard application requirements.
§200.207 Specific conditions.
§200.208 Certifications and representations.

§200.209 Pre-award costs.  
§200.210 Information contained in a Federal award.  
§200.211 Public access to Federal award information.  
§200.212 Suspension and debarment.

<b>Subpart D—Post Federal Award Requirements</b>
--

STANDARDS FOR FINANCIAL AND PROGRAM MANAGEMENT

§200.300 Statutory and national policy requirements.	As outlined by subtitle.
§200.301 Performance measurement.	As outlined by subtitle.
§200.302 Financial management.	

(a) **HCDE has established Financial Management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, in order to prepare reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. HCDE has assigns a fund code for all state and federal funds and reports each month the financial results for each fund. A general ledger is also maintained and it supports the financial reports and drawdowns for each grant.**

(b) The financial management system of each non-Federal entity must provide for the following (see also §§200.333 Retention requirements for records, 200.334 Requests for transfer of records, 200.335 Methods for collection, transmission and storage of information, 200.336 Access to records, and 200.337 Restrictions on public access to records):

(1) Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the CFDA title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any. **HCDE assigns a fund code for each State and Federal grant.**

(2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§200.327 Financial reporting and 200.328 Monitoring and reporting program performance. If a Federal awarding agency requires reporting on an accrual basis from a recipient that maintains its records on other than an accrual basis, the recipient must not be required to establish an accrual accounting system. This recipient may develop accrual data for its reports on the basis of an analysis of the documentation on hand. Similarly, a pass-through entity must not require a subrecipient to establish an accrual accounting system and must allow the subrecipient to develop accrual data for its reports on the basis of an analysis of the documentation on hand. **HCDE uses modified accrual basis of accounting as required by GAAP and GASB standards. However, accrual information is also submitted to the granting agency as needed.**

(3) Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.

(4) Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes. See §200.303 Internal controls. **HCDE maintains accountability of all funds, property and assets as needed.**

(5) Comparison of expenditures with budget amounts for each Federal award. **HCDE tracks budget to actual amounts each month in a financial report.**

(6) Written procedures to implement the requirements of §200.305 Payment. **HCDE implements a reimbursement procedure and not an advance procedure for submitting drawdowns. All funds are expended first and then drawn down from the granting agency.**

(7) Written procedures for determining the allowability of costs in accordance with Subpart E—Cost Principles of this part and the terms and conditions of the Federal award. **HCDE has implemented a financial operating guide to make sure that all Staff is provided with guidance to determine the allowability of expenditures.**

### **§200.303 Internal controls.**

**HCDE** has:

(a) Established and maintained effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with 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). **HCDE has implemented grant procedures and internal processes to make sure that grant requirements are adhered to by the various divisions. Program Directors are required to implement controls at the program delivery level, and the Business Office is required to implement controls at the financial management and reporting level. HCDE further implements a risk assessment process, and it is updated every six months.**

(b) Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards. **See letter (a) above.**

(c) Evaluate and monitor the non-Federal entity's compliance with statutes, regulations and the terms and conditions of Federal awards. **See letter (a) above.**

(d) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings. **See letter (a) above.**

(e) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality. **See letter (a) above.**

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75883, Dec. 19, 2014]

**§200.304 Bonds.**

As outlined by subtitle.

**§200.305 Payment.**

**HCDE uses a reimbursement method for payment, thus all expenditures have been made prior to the drawdown request.**

**§200.306 Cost sharing or matching.**

As outlined by subtitle.

**§200.307 Program income.**

**HCDE often generates program income and or in-kind donations to meet federal matching. HCDE documents such activity as necessary and in accordance with the guidance.**

**§200.308 Revision of budget and program plans.**

**HCDE works with the granting agency for any budget revisions or changes to the scope of work. Such changes are approved by the HCDE Board of Trustees through budget amendments.**

**§200.309 Period of performance.**

As outlined by subtitle.

**PROPERTY STANDARDS**

**§200.310 Insurance coverage.**

The non-Federal entity must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with Federal funds as provided to property owned by the non-Federal entity. Federally-owned property need not be insured unless required by the terms and conditions of the Federal award. **HCDE maintains insurance on all property subject to deductibles.**

**See CRB Legal and Local**

**§200.311 Real property.**

When real property is no longer needed for the originally authorized purpose, the non-Federal entity must obtain disposition instructions from the Federal awarding agency or pass-through entity. The instructions must provide for one of the following alternatives:

- (1) Retain title after compensating the Federal awarding agency.
- (2) Sell the property and compensate the Federal awarding agency.
- (3) Transfer title to the Federal awarding agency or to a third party designated/approved by the Federal awarding agency. [78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75884, Dec. 19, 2014]

**HCDE follows disposition of property in accordance with this section's requirements. See CI Local.**

**§200.312 Federally-owned and exempt property.**

In accordance with federal requirements, the non-federal entity must submit annually an inventory listing of federally-owned property in its custody to the Federal awarding agency. Upon completion of the Federal award or when the property is no longer needed, the non-Federal entity must report the property to the Federal awarding agency for further Federal agency utilization. **HCDE follows disposition of property in accordance with this section's requirements. See CI Local.**

**§200.313 Equipment.**

**HCDE follows disposition of equipment in accordance with this section's requirements. All items under \$5,000 can be disposed with no further federal requirements. See CI Local.**

**§200.314 Supplies.**

**HCDE follows the use of supplies in accordance with this section's requirements. Supplies are used only for the grant objective and not used to provide services for a fee.**

**§200.315 Intangible property.**

**HCDE follows the use of intangible property in accordance with this section's requirements.**

**§200.316 Property trust relationship.**

As outlined by subtitle.

**PROCUREMENT STANDARDS**

**§200.317 Procurements by states.**

When procuring property and services under a Federal award, a state must follow the same policies and procedures it uses for procurements from its non-Federal funds. The state will comply with §200.322 Procurement of recovered *materials* and ensure that every purchase order or other contract includes any clauses required by section §200.326 Contract provisions. All other non-Federal entities, including sub-recipients of a state, will follow §§200.318 General procurement standards through 200.326 Contract provisions.

**HCDE follows a more restrictive procurement policy than the requirement under 200. 318. HCDE follows policies CH Legal and CH Local which requires procurement in cumulative contracts with vendors above \$50,000, and policies CV Legal and CV Local for construction projects.**

#### **§200.318 General procurement standards.**

(a) The Non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part. **HCDE uses its procurement policies under policies CH legal and CH Local.**

(b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. **HCDE has implemented financial operating guidelines for grant staff to follow in administering grants.**

(c)(1) The Non-Federal entity 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 may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which 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 considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

**HCDE has amended policy CH Local as follows:**

**No employee, officer, or agent may participate in the selection, award, or administration of a contract if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization**

which 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 considered for a contract.

The officers, employees, and agents of HCDE may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, HCDE has set a deminimis amount of less than \$50 per year for items that are unsolicited and of minimal and promotional items.

Violations of this standard by an employee will be reported to the Superintendent's Office and addressed through our personnel policies. Violations of this standard by an officer or the Superintendent shall be addressed to the Board President and addressed through the board policies.

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

(d) The Non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach. **HCDE performs a needs assessment and evaluation by each program director prior to recommending the requisition. The culmination of such assessment is the program director's signature. Often the program director also conducts analysis to determine the best value to HCDE when making a recommendation for purchase.**

(e) To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the non-Federal entity is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services. **HCDE participates in purchasing cooperatives and shared service arrangements in order to get the best value for divisions and grants.**

(f) The Non-Federal entity is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs. **HCDE uses policies CH Legal and CH Local to purchase goods. One of the allowable methods is inter local agreements which include agencies and local governments, federal and state entities. As available and feasible, HCDE utilizes this method of purchasing equipment and property.**



(g) The Non-Federal entity 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 each contract item or task to ensure that its essential function is provided at the overall lower cost. **HCDE uses policies CV Legal and CV Local to procure construction projects. Some of the allowable methods are CCSP and CM-At-Risk, and Design Build, which include often utilize value engineering in the negotiations to arrive at the best price.**

(h) The Non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. See also §200.212 Suspension and debarment. **HCDE uses policies CH Legal and CH Local which identify the factors in determining the best value.**

(i) The Non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. **HCDE uses a procurement process that maintains the history of the selection process, the contract, and the basis of the contract price. The financial operating guidelines outlines the process, and the information regarding the bid process is maintained electronically in the HCDE ebid system (powered by lonwave systems)**

(j)(1) The Non-Federal entity 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. Time and materials type contract means a contract whose cost to a non-Federal entity is the sum of:

(i) The actual cost of materials; and

(ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

(2) Since 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 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. **HCDE uses policies CH Legal and CH Local which identify the factors in determining the best value and the method of procurement and contract.**

(k) The Non-Federal entity alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all



contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the non-Federal entity of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the non-Federal entity unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or federal authority having proper jurisdiction. **HCDE uses policies CH Legal and CH Local which identify the factors in determining the best value and procurement and contract. All contracts are signed either by the Superintendent or the Assistant Superintendent for Business.**

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

### **§200.319 Competition.**

(a) All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order 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 such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

- (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.

**HCDE develops all requests for proposals internally and does not allow a consultant or external entity to participate in the development of request for proposals.**

(b) 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.

**HCDE uses policies CH Legal and CH Local which identify the factors in determining the best value and the method of procurement and contract. While policy CH Legal has a local preference meaning the state of Texas, it does not apply to federal purchases in accordance with Government Code 2251.001-004.**

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.

(c) The Non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

(1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it 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 the technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and

(2) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

(d) The Non-Federal entity must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the non-Federal entity must not preclude potential bidders from qualifying during the solicitation period.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

**HCDE uses policies CH Legal and CH Local which identify the factors in determining the best value and the method of procurement and contract. HCDE also has operating guidelines covering the procurement process.**

#### **§200.320 Methods of procurement to be followed.**

The non-Federal entity must use one of the following methods of procurement.

(a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable. **HCDE uses policies CH Legal and CH Local which is more restrictive.**

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. **HCDE uses policies CH Legal and CH Local which are more restrictive.**

(c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.

(1) In order for sealed bidding to be feasible, the following conditions should be present:

(i) A complete, adequate, and realistic specification or purchase description is available;

(ii) Two or more responsible bidders are willing and able to compete effectively for the business; and

(iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

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

(i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for state, local, and tribal governments, the invitation for bids must be publically advertised;

(ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

(iii) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;

(iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(v) Any or all bids may be rejected if there is a sound documented reason.

**HCDE uses policies CH Legal and CH Local which identify the factors in determining the best value and the method of procurement and contract. HCDE also has operating guidelines covering the procurement process.**

**HCDE follows a more restrictive procurement policy than the requirement under 200. 318. HCDE follows policies CH Legal and CH Local which requires procurement in cumulative contracts with vendors above \$50,000, and policies CV Legal and CV Local for construction projects.**

(d) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

(1) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;

(2) Proposals must be solicited from an adequate number of qualified sources;

(3) The Non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;

(4) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

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

**HCDE uses policies CH Legal and CH Local which identify the factors in determining the best value and the method of procurement and contract. HCDE also has operating guidelines covering the procurement process.** Professional Services are also procured under Chapter 44.031 or Chapter 2252.003.

(e) [Reserved]

(f) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

(1) The item is available only from a single source; **According to policy CH Legal or Chapter 44.031, single source is an allowed method of procurement provided that the vendor is able to provide a sole source letter.**

(2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; **According to policy CH Legal or Chapter 44.031, emergency purchases are allowed as an allowed method of procurement provided that the purchases meets the requirements of 44.031(h)**

(3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or **In situations that the awarding agency authorizes the non competitive process, HCDE will document the approval.**

(4) After solicitation of a number of sources, competition is determined inadequate.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

### **§200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.**

a) The Non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

(b) Affirmative steps must include:

(1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;

(4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;

(5) Using the services and assistance, as appropriate, of such organizations 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 to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

**HCDE uses policies CH Legal and CH Local which identify the factors in determining the best value and the method of procurement and contract. HCDE**

**also has operating guidelines covering the procurement process. Part of the evaluation factors in policy CH Legal include (minority and women owned) historically underutilized businesses.**

### **§200.322 Procurement of recovered materials.**

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in 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.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

**HCDE uses policies CH Legal and CH Local which identify the factors in determining the best value and the method of procurement and contract. HCDE also has operating guidelines covering the procurement process. Part of the request for proposal terms and conditions are to adhere to all applicable federal, state and local laws.**

### **§200.323 Contract cost and price.**

(a) The Non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity 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) Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity under Subpart E—Cost

Principles of this part. The non-Federal entity may reference its own cost principles that comply with the Federal cost principles.

(d) The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

**HCDE uses policies CH Legal and CH Local which identify the factors in determining the best value and the method of procurement and contract. HCDE also has operating guidelines covering the procurement process. Part of the selection process and evaluation, HCDE staff performs budget estimates for prospective purchases. During the evaluation phase, HCDE conducts tabulations to compare and arrive at the best value.**

### **§200.324 Federal awarding agency or pass-through entity review.**

(a) The Non-Federal entity must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the non-Federal entity desires to have the review accomplished after a solicitation has been developed, the Federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

(b) The Non-Federal entity must make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:

(1) The Non-Federal entity'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 and is to be awarded without competition or only one bid or offer is received in response to a solicitation;

(3) The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a "brand name" product;

(4) The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement;

(5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.



(c) The Non-Federal entity is exempt from the pre-procurement review in paragraph (b) of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part.

(1) The Non-Federal entity may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third-party contracts are awarded on a regular basis;

(2) The Non-Federal entity may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal awarding agency may rely on written assurances from the non-Federal entity that it is complying with these standards. The non-Federal entity must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

**HCDE uses policies CH Legal and CH Local which identify the factors in determining the best value and the method of procurement and contract. HCDE also has operating guidelines covering the procurement process. HCDE maintains records of all processes available for review and all procurements have a right to audit clause.**

## **§200.325 Bonding requirements.**

For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold (Which is **\$150,000**), the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

(a) A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

(b) A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(c) A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.



HCDE uses policies CV Legal and CV Local which identify the factors in determining the best value and the method of procurement and contract for construction projects. Policy CV Legal requires performance bonds above \$100,000 and \$25,000 for payment bonds.

### **§200.326 Contract provisions.**

The non-Federal entity's contracts must contain the applicable provisions described in Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards.

All HCDE contracts and request for proposals have termination clauses, breach of contract clauses and the following provisions:

1. Davis-Bacon Act, as amended (40 U.S.C. 3141-3148).
2. Equal Employment Opportunity
3. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708).
4. Rights to Inventions Made Under a Contract or Agreement
5. Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended
6. Debarment and Suspension (Executive Orders 12549 and 12689)
7. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)

## **PERFORMANCE AND FINANCIAL MONITORING AND REPORTING**

### **§200.327 Financial reporting.**

Unless otherwise approved by OMB, the Federal awarding agency may solicit only the standard, OMB-approved government wide data elements for collection of financial information (at time of publication the Federal Financial Report or such future collections as may be approved by OMB and listed on the OMB Web site). This information must be collected with the frequency required by the terms and conditions of the Federal award, but no less frequently than annually nor more frequently than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes, and preferably in coordination with performance reporting

HCDE adheres to reporting requirements in accordance with the federal packet on an annual basis.

### **§200.328 Monitoring and reporting program performance.**

(a) *Monitoring by the non-Federal entity.* The non-Federal entity is responsible for oversight of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-Federal entity must cover each program, function or activity. See

also §200.331 Requirements for pass-through *entities*. **HCDE has assigned a program director for each grant to make sure that grant requirements are met.**

(b) *Non-construction performance reports*. The Federal awarding agency must use standard, OMB-approved data elements for collection of performance information (including performance progress reports, Research Performance Progress Report, or such future collections as may be approved by OMB and listed on the OMB Web site).

**HCDE adheres to the required program reports as outlined by the granting agency.**

(1) The Non-Federal entity must submit performance reports at the interval required by the Federal awarding agency or pass-through entity to best inform improvements in program outcomes and productivity. Intervals must be no less frequent than annually nor more frequent than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes. Annual reports must be due 90 calendar days after the reporting period; quarterly or semiannual reports must be due 30 calendar days after the reporting period. Alternatively, the Federal awarding agency or pass-through entity may require annual reports before the anniversary dates of multiple year Federal awards. The final performance report will be due 90 calendar days after the period of performance end date. If a justified request is submitted by a non-Federal entity, the Federal agency may extend the due date for any performance report.

**HCDE adheres to the required program reports as outlined by the granting agency.**

(2) The Non-Federal entity must submit performance reports using OMB-approved government wide standard information collections when providing performance information. As appropriate in accordance with above mentioned information collections, these reports will contain, for each Federal award, brief information on the following unless other collections are approved by OMB:

**HCDE adheres to the required program reports as outlined by the granting agency.**

(i) A comparison of actual accomplishments to the objectives of the Federal award established for the period. Where the accomplishments of the Federal award can be quantified, a computation of the cost (for example, related to units of accomplishment) may be required if that information will be useful. Where performance trend data and analysis would be informative to the Federal awarding agency program, the Federal awarding agency should include this as a performance reporting requirement.

(ii) The reasons why established goals were not met, if appropriate.

(iii) Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

(c) Construction performance reports. For the most part, onsite technical inspections and certified percentage of completion data are relied on heavily by Federal awarding agencies and pass-through entities to monitor progress under Federal awards and sub awards for construction. The Federal awarding agency may require additional performance reports only when considered necessary.

**HCDE adheres to the required program reports as outlined by the granting agency.**

(d) Significant developments. Events may occur between the scheduled performance reporting dates that have significant impact upon the supported activity. In such cases, the non-Federal entity must inform the Federal awarding agency or pass-through entity as soon as the following types of conditions become known:

**HCDE adheres to the required program reports as outlined by the granting agency.**

(1) Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the Federal award. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.

(2) Favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more or different beneficial results than originally planned.

(e) The Federal awarding agency may make site visits as warranted by program needs.

(f) The Federal awarding agency may waive any performance report required by this part if not needed.

## **§200.329 Reporting on real property.**

The Federal awarding agency or pass-through entity must require a non-Federal entity to submit reports at least annually on the status of real property in which the Federal Government retains an interest, unless the Federal interest in the real property extends 15 years or longer. In those instances where the Federal interest attached is for a period of 15 years or more, the Federal awarding agency or pass-through entity, at its option, may require the non-Federal entity to report at various multi-year frequencies (e.g., every two years or every three years, not to exceed a five-year reporting period; or a Federal awarding agency or pass-through entity may require annual reporting for the first three years of a Federal award and thereafter require reporting every five years).

**HCDE adheres to the required program reports as outlined by the granting agency.**

## SUB-RECIPIENT MONITORING AND MANAGEMENT

### **§200.330 Sub-recipient and contractor determinations.**

The non-Federal entity may concurrently receive Federal awards as a recipient, a sub recipient, and a contractor, depending on the substance of its agreements with Federal awarding agencies and pass-through entities. Therefore, a pass-through entity must make **case-by-case determinations** whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds **in the role of** a subrecipient or a contractor. The Federal awarding agency may supply and require recipients to comply with additional guidance to support these determinations provided such guidance does not conflict with this section.

(a) **Subrecipients.** A sub award is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. See §200.92 Sub award. Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:

- (1) Determines who is eligible to receive what Federal assistance;
- (2) Has its performance measured in relation to whether objectives of a Federal program were met;
- (3) Has responsibility for programmatic decision making;
- (4) Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
- (5) In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

(b) **Contractors.** A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. See §200.22 Contract. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the non-Federal entity receiving the Federal funds:

- (1) Provides the goods and services within normal business operations;
- (2) Provides similar goods or services to many different purchasers;
- (3) Normally operates in a competitive environment;
- (4) Provides goods or services that are ancillary to the operation of the Federal program; and

(5) Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

(c) *Use of judgment in making determination.* In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a subrecipient or a contractor, **the substance of the relationship** is more important than the form of the agreement. All of the characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a sub award or a procurement contract.

**HCDE makes determinations on sub recipients and contractors in accordance with this section, and contracts are determined as such.**

### **§200.331 Requirements for pass-through entities.**

All pass-through entities must:

(a) Ensure that every sub award is clearly identified to the subrecipient as a sub award and includes the following information at the time of the sub award and if any of these data elements change, include the changes in subsequent sub award modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and sub award. Required information includes:

(1) Federal Award Identification.

(i) Subrecipient name (which must match the name associated with its unique entity identifier);

(ii) Subrecipient's unique entity identifier;

(iii) Federal Award Identification Number (FAIN);

(iv) Federal Award Date (see §200.39 Federal award date);

(v) Sub award Period of Performance Start and End Date;

(vi) Amount of Federal Funds Obligated by this action;

(vii) Total Amount of Federal Funds Obligated to the subrecipient;

(viii) Total Amount of the Federal Award;

(ix) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);

(x) Name of Federal awarding agency, pass-through entity, and contact information for awarding official,

(xi) CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement;

(xii) Identification of whether the award is R&D; and

(xiii) Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs).

(2) All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award.

(3) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports;

(4) An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with this part), or a de minimis indirect cost rate as defined in §200.414 Indirect (F&A) costs, paragraph (f) of this part.

(5) A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of this part; and

(6) Appropriate terms and conditions concerning closeout of the sub award.

(b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the sub award for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as:

(1) The subrecipient's prior experience with the same or similar sub awards;

(2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F—Audit Requirements of this part, and the extent to which the same or similar sub award has been audited as a major program;

(3) Whether the subrecipient has new personnel or new or substantially changed systems; and

(4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).

(c) Consider imposing specific sub award conditions upon a subrecipient if appropriate as described in §200.207 Specific conditions.

(d) Monitor the activities of the subrecipient as necessary to ensure that the sub award is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the sub award; and that sub award performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:

(1) Reviewing financial and performance reports required by the pass-through entity.

(2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.

(3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by §200.521 Management decision.

(e) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

(1) Providing subrecipients with training and technical assistance on program-related matters; and

(2) Performing on-site reviews of the subrecipient's program operations;

(3) Arranging for agreed-upon-procedures engagements as described in §200.425 Audit services.

(f) Verify that every subrecipient is audited as required by Subpart F—Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 Audit requirements.

(g) Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.

(h) Consider taking enforcement action against noncompliant subrecipients as described in §200.338 Remedies for noncompliance of this part and in program regulations.



[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

**HCDE makes determinations on sub recipients and contractors in accordance with this section, and contracts are determined as such.**

### **§200.332 Fixed amount sub-awards.**

With prior written approval from the Federal awarding agency, a pass-through entity may provide sub awards based on fixed amounts up to the Simplified Acquisition Threshold, provided that the sub awards meet the requirements for fixed amount awards in §200.201 Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts.

**HCDE makes determinations on sub recipients and contractors in accordance with this section, and contracts are determined as such.**

## **RECORD RETENTION AND ACCESS**

### **§200.333 Retention requirements for records.**

Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of **three years** from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities. The only exceptions are the following:

(a) If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

(b) When the non-Federal entity is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.

(c) Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition.

(d) When records are transferred to or maintained by the Federal awarding agency or pass-through entity, the 3-year retention requirement is not applicable to the non-Federal entity.

(e) Records for program income transactions after the period of performance. In some cases, recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the



earning of the program income starts from the end of the non-Federal entity's fiscal year in which the program income is earned.

(f) Indirect cost rate proposals and cost allocations plans. This paragraph applies to the following types of documents and their supporting records: indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).

(1) *If submitted for negotiation.* If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.

(2) *If not submitted for negotiation.* If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

**HCDE complies with the State of Texas requirements which are more extensive than the federal requirements.**

### **§200.334 Requests for transfer of records.**

The Federal awarding agency must request transfer of certain records to its custody from the non-Federal entity when it determines that the records possess long-term retention value. However, in order to avoid duplicate recordkeeping, the Federal awarding agency may make arrangements for the non-Federal entity to retain any records that are continuously needed for joint use.

**HCDE complies with the State of Texas requirements which are more extensive than the federal requirements.**

### **§200.335 Methods for collection, transmission and storage of information.**

In accordance with the May 2013 Executive Order on Making Open and Machine Readable the New Default for Government Information, the Federal awarding agency and the non-Federal entity should, whenever practicable, collect, transmit, and store Federal award-related information in open and machine-readable formats rather than in closed formats or on paper. The Federal awarding agency or pass-through entity must always provide or accept paper versions of Federal award-related information to and from the non-Federal entity upon request. If paper copies are submitted, the Federal awarding agency or pass-through entity must not require more than an original and two copies. When original records are electronic and cannot be altered, there is no need to create and retain paper copies. When original records are paper, electronic versions

may be substituted through the use of duplication or other forms of electronic media provided that they are subject to periodic quality control reviews, provide reasonable safeguards against alteration, and remain readable.

**HCDE complies with the State of Texas retention requirements which are more extensive than the federal requirements.**

### **§200.336 Access to records.**

(a) Records of non-Federal entities. The Federal awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, must have the right of access to any documents, papers, or other records of the non-Federal entity which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the non-Federal entity's personnel for the purpose of interview and discussion related to such documents.

(b) Only under extraordinary and rare circumstances would such access include review of the true name of victims of a crime. Routine monitoring cannot be considered extraordinary and rare circumstances that would necessitate access to this information. When access to the true name of victims of a crime is necessary, appropriate steps to protect this sensitive information must be taken by both the non-Federal entity and the Federal awarding agency. Any such access, other than under a court order or subpoena pursuant to a bona fide confidential investigation, must be approved by the head of the Federal awarding agency or delegate.

(c) Expiration of right of access. The rights of access in this section are not limited to the required retention period but last as long as the records are retained. Federal awarding agencies and pass-through entities must not impose any other access requirements upon non-Federal entities.

**HCDE complies with the State of Texas retention requirements which are more extensive than the federal requirements. Access is provided to grant auditors as needed on an annual basis. In addition, the terms and conditions of all bid notification and contracts include a right to audit clause.**

### **§200.337 Restrictions on public access to records.**

No Federal awarding agency may place restrictions on the non-Federal entity that limit public access to the records of the non-Federal entity pertinent to a Federal award, except for protected personally identifiable information (PII) or when the Federal awarding agency can demonstrate that such records will be kept confidential and would have been exempted from disclosure pursuant to the Freedom of Information Act (5 U.S.C. 552) or controlled unclassified information pursuant to Executive Order 13556 if the records had belonged to the Federal awarding agency. The Freedom of Information Act (5 U.S.C. 552) (FOIA) does not apply to those records that remain under a non-Federal entity's control except as required under §200.315 Intangible property. Unless required by Federal, state, local, and tribal statute, non-Federal entities are not required

to permit public access to their records. The non-Federal entity's records provided to a Federal agency generally will be subject to FOIA and applicable exemptions.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

**HCDE complies with the State of Texas retention requirements and Open Records Act requirements as necessary.**

## REMEDIES FOR NONCOMPLIANCE

### **§200.338 Remedies for noncompliance.**

If a non-Federal entity fails to comply with Federal statutes, regulations or the terms and conditions of a Federal award, the Federal awarding agency or pass-through entity may impose additional conditions, as described in §200.207 Specific conditions. If the Federal awarding agency or pass-through entity determines that noncompliance cannot be remedied by imposing additional conditions, the Federal awarding agency or pass-through entity may take one or more of the following actions, as appropriate in the circumstances:

(a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.

(b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.

(c) Wholly or partly suspend or terminate the Federal award.

(d) Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).

(e) Withhold further Federal awards for the project or program.

(f) Take other remedies that may be legally available.

**HCDE has implemented procedures to make sure grant requirements are met.**

**§200.339 Termination.** As outlined by subtitle.

**HCDE has implemented procedures to make sure grant requirements are met.**

**§200.340 Notification of termination requirement.** As outlined by subtitle.

**HCDE has implemented procedures to make sure grant requirements are met.**

**§200.341 Opportunities to object, hearings and appeals.** As outlined by subtitle.

As outlined by subtitle.

**HCDE has implemented procedures to make sure grant requirements are met.**

**§200.342 Effects of suspension and termination.**

**HCDE has implemented procedures to make sure grant requirements are met.**

CLOSEOUT

**§200.343 Closeout.**

The Federal awarding agency or pass-through entity will close-out the Federal award when it determines that all applicable administrative actions and all required work of the Federal award have been completed by the non-Federal entity. This section specifies the actions the non-Federal entity and Federal awarding agency or pass-through entity must take to complete this process at the end of the period of performance.

(a) The Non-Federal entity must submit, no later than **90 calendar days** after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award. The Federal awarding agency or pass-through entity may approve extensions when requested by the non-Federal entity.

(b) Unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity must **liquidate all obligations** incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award.

(c) The Federal awarding agency or pass-through entity must make prompt payments to the non-Federal entity for allowable reimbursable costs under the Federal award being closed out.

(d) The Non-Federal entity must promptly refund any balances of unobligated cash that the Federal awarding agency or pass-through entity paid in advance or paid and that are not authorized to be retained by the non-Federal entity for use in other projects. See OMB Circular A-129 and see §200.345 Collection of amounts due, for requirements regarding unreturned amounts that become delinquent debts.

(e) Consistent with the terms and conditions of the Federal award, the Federal awarding agency or pass-through entity must make a settlement for any upward or downward adjustments to the Federal share of costs after closeout reports are received.

(f) The Non-Federal entity must account for any real and personal property acquired with Federal funds or received from the Federal Government in accordance with §§200.310 Insurance coverage through 200.316 Property trust relationship and 200.329 Reporting on real property.

(g) The Federal awarding agency or pass-through entity should complete all closeout actions for Federal awards no later than one year after receipt and acceptance of all required final reports.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

**HCDE has procedures in place to make sure that all grants are closed out and all payments made by the 90<sup>th</sup> day.**

## POST-CLOSEOUT ADJUSTMENTS AND CONTINUING RESPONSIBILITIES

### §200.344 Post-closeout adjustments and continuing responsibilities.

(a) The closeout of a Federal award does not affect any of the following:

(1) The right of the Federal awarding agency or pass-through entity to disallow costs and recover funds on the basis of a later audit or other review. The Federal awarding agency or pass-through entity must make any cost disallowance determination and notify the non-Federal entity within the record retention period.

(2) The obligation of the non-Federal entity to return any funds due as a result of later refunds, corrections, or other transactions including final indirect cost rate adjustments.

(3) Audit requirements in Subpart F—Audit Requirements of this part.

(4) Property management and disposition requirements in Subpart D—Post Federal Award Requirements of this part, §§200.310 Insurance Coverage through 200.316 Property trust relationship.

(5) Records retention as required in Subpart D—Post Federal Award Requirements of this part, §§200.333 Retention requirements for records through 200.337 Restrictions on public access to records.

(b) After closeout of the Federal award, a relationship created under the Federal award may be modified or ended in whole or in part with the consent of the Federal awarding agency or pass-through entity and the non-Federal entity, provided the

responsibilities of the non-Federal entity referred to in paragraph (a) of this section, including those for property management as applicable, are considered and provisions made for continuing responsibilities of the non-Federal entity, as appropriate.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

**HCDE has procedures to make sure that grant requirements are met, and all funds are audited on an annual basis in accordance with federal, state and local guidelines.**

## COLLECTION OF AMOUNTS DUE

**§200.345 Collection of amounts due.** As outlined by subtitle.

**HCDE has implemented procedures to make sure grant requirements are met.**

## Subpart E—Cost Principles

### GENERAL PROVISIONS

**§200.400 Policy guide.** As outlined by the subtitle.

**§200.401 Application.** As outlined by the subtitle.

### BASIC CONSIDERATIONS

**§200.402 Composition of costs.** As outlined by the subtitle.

*Total cost.* The total cost of a Federal award is the sum of the allowable direct and allocable indirect costs less any applicable credits.

**§200.403 Factors affecting allowability of costs.** As outlined by the subtitle.

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) **Be necessary and reasonable** for the performance of the Federal award and be allocable thereto under these principles.

HCDE documents this through the certification of expenditures and approval by each program manager.

- (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.

HCDE documents this through the certification of expenditures and approval by each program manager.

- (c) **Be consistent with policies and procedures** that apply uniformly to both federally-financed and other activities of the non-Federal entity.

HCDE documents this through the certification of expenditures and approval by each program manager.

- (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.

HCDE documents this through the certification of expenditures and approval by each program manager. In addition, all expenditures are reviewed by the Business Office for consistent treatment.

- (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.

HCDE documents this through the certification of expenditures and approval by each program manager. The Business Office establishes financial operating guidelines that follow GAAP for local governments.

- (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 Cost sharing or matching paragraph (b).

HCDE does not use federal dollars to match other federal dollars.

**Be adequately documented.** See also §§200.300 Statutory and national policy requirements through 200.309 Period of performance of this part.

HCDE maintains documents for all expenditures and signatures are included from program manager and the Business Office as needed.

#### **§200.404 Reasonable costs.** As outlined by the subtitle

A cost is reasonable if, in its nature and amount, it does not exceed **that which would be incurred by a prudent person under the circumstances prevailing at the time 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 **reasonableness of a given cost**, consideration must be given to:

- (a) Whether the cost is of a type generally recognized as ordinary and necessary for the 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, local, tribal, and other laws and regulations; and terms and conditions of the Federal award.

- (c) **Market prices** for comparable goods or services for the geographic area.



(d) Whether the individuals **concerned acted with prudence** in the circumstances considering their responsibilities to the non-Federal entity, its employees, where applicable its students or membership, the public at large, and the Federal Government.

(e) Whether the non-Federal entity significantly **deviates from its established practices and policies regarding the incurrence of costs**, which may unjustifiably increase the Federal award's cost.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

**HCDE procures goods and services to arrive at best value and determines that reasonable costs are used to charge to the all cost objectives whether federal or non-federal.**

#### **§200.405 Allocable costs.** As outlined by the subtitle

(a) A cost is allocable to a particular Federal award **or other cost objective** if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:

(1) Is **incurred specifically** for the Federal award;

(2) Benefits both the Federal award and other work of the non-Federal entity 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 and is assignable in part to the Federal award in accordance with the principles in this subpart.

(b) All activities which benefit from the non-Federal entity's indirect (F&A) cost, including unallowable activities and donated services by the non-Federal entity or third parties, will receive **an appropriate allocation of indirect costs**.

(c) Any cost allocable to a particular Federal award under the principles provided for in this part may **not be charged to other Federal awards** to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the non-Federal entity 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.

(d) **Direct cost allocation principles**. If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects **based on the proportional benefit**. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this

section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required. See also §§200.310 Insurance coverage through 200.316 Property trust relationship and 200.439 Equipment and other capital expenditures.

(e) If the contract is subject to CAS, costs must be allocated to the contract pursuant to the Cost Accounting Standards. To the extent that CAS is applicable, the allocation of costs in accordance with CAS takes precedence over the allocation provisions in this part.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

**HCDE has adopted cost allocation plans that meet the allocable requirements. Program managers review all expenditures and determine whether the cost is allocable to the cost objective.**

#### **§200.406 Applicable credits.** As outlined by the subtitle

(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 Depreciation and 200.468 Specialized service facilities, 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]

**HCDE applies all rebates and credits that are applicable to each cost objective.**

#### **§200.407 Prior written approval (prior approval).** As outlined by the subtitle

Under any given Federal award, the reasonableness and allocability of certain items of costs may be difficult to determine. In order to avoid subsequent disallowance or dispute based on unreasonableness or no allocability, the non-Federal entity may **seek the prior written approval of the cognizant agency for indirect costs or 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. The absence of prior written approval on any element of cost will not, in itself, affect the reasonableness or allocability of that element, 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) §200.306 Cost sharing or matching;

(c) §200.307 Program income;

(d) §200.308 Revision of budget and program plans;

(e) §200.311 Real property;

(f) §200.313 Equipment;

(g) §200.332 Fixed amount sub awards;

(h) §200.413 Direct costs, paragraph (c);

(i) §200.430 Compensation—personal services, paragraph (h);

(j) §200.431 Compensation—fringe benefits;

(k) §200.438 Entertainment costs;

(l) §200.439 Equipment and other capital expenditures;

(m) §200.440 Exchange rates;

(n) §200.441 Fines, penalties, damages and other settlements;

(o) §200.442 Fund raising and investment management costs;

(p) §200.445 Goods or services for personal use;

(q) §200.447 Insurance and indemnification;

(r) §200.454 Memberships, subscriptions, and professional activity costs, paragraph (c);

(s) §200.455 Organization costs;

(t) §200.456 Participant support costs;

(u) §200.458 Pre-award costs;

(v) §200.462 Rearrangement and reconversion costs;

(w) §200.467 Selling and marketing costs;

(x) §200.470 Taxes (including Value Added Tax); and

(y) §200.474 Travel costs.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

**HCDE reviews grant requirements and seeks approval as necessary from granting agency.**

**§200.408 Limitation on allowance of costs.** As outlined by the subtitle

**§200.409 Special considerations.** As outlined by the subtitle

**§200.410 Collection of unallowable costs.** As outlined by the subtitle

**§200.411 Adjustment of previously negotiated indirect (F&A) cost rates containing unallowable costs.** As outlined by the subtitle

## DIRECT AND INDIRECT (F&A) COSTS

**§200.412 Classification of costs.** As outlined by the subtitle

There is no universal rule for classifying certain costs as either direct or indirect (F&A) under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost incurred for the same purpose be treated consistently in like circumstances either as a direct or an indirect (F&A) cost in order to avoid possible double-charging of Federal awards. Guidelines for determining direct and indirect (F&A) costs charged to Federal awards are provided in this subpart.

**HCDE allocates cost and classifies costs according to each cost objective, and the program manager reviews, determines and certifies all costs prior to the expenditure being incurred.**

**§200.413 Direct costs.** As outlined by the subtitle

- a) *General.* Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs. See also §200.405 Allocable costs.

**HCDE determines which costs are direct and documents approval from the program manager through their review and certification (approval) on expenditures.**

(b) *Application to Federal awards.* Identification with the Federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect (F&A) costs of Federal awards. Typical costs charged directly to a Federal award are the compensation of employees who work on that award, their related fringe benefit costs, the costs of materials and other items of expense incurred for the Federal award. If directly related to a specific award, certain costs that otherwise would be treated as indirect costs may also include extraordinary utility consumption, the cost of materials supplied from stock or services rendered by specialized facilities or other institutional service operations.

(c) The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

- (1) Administrative or clerical services are integral to a project or activity;
- (2) Individuals involved can be specifically identified with the project or activity;
- (3) Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
- (4) The costs are not also recovered as indirect costs.

**HCDE identifies the cost that is associated with the federal grant in order to determine the nature of the direct or indirect cost.**

(d) *Minor items.* Any direct cost of minor amount may be treated as an indirect (F&A) cost for reasons of practicality where such accounting treatment for that item of cost is consistently applied to all Federal and non-Federal cost objectives.

(e) The costs of certain activities are not allowable as charges to Federal awards. However, even though these costs are unallowable for purposes of computing charges to Federal awards, they nonetheless must be treated as direct costs for purposes of determining indirect (F&A) cost rates and be allocated their equitable share of the non-Federal entity's indirect costs if they represent activities which:

- (1) Include the salaries of personnel,
- (2) Occupy space, and
- (3) Benefit from the non-Federal entity's indirect (F&A) costs.

**HCDE calculates indirect costs according to the federal requirements, and the calculation is sent to TEA (granting agency) for review and approval.**

(f) For nonprofit organizations, the costs of activities performed by the non-Federal entity primarily as a service to members, clients, or the general public when significant and necessary to the non-Federal entity's mission must be treated as direct costs whether or not allowable, and be allocated an equitable share of indirect (F&A) costs. Some examples of these types of activities include:

(1) Maintenance of membership rolls, subscriptions, publications, and related functions. See also §200.454 Memberships, subscriptions, and professional activity costs.

(2) Providing services and information to members, legislative or administrative bodies, or the public. See also §§200.454 Memberships, subscriptions, and professional activity costs and 200.450 Lobbying.

(3) Promotion, lobbying, and other forms of public relations. See also §§200.421 Advertising and public relations and 200.450 Lobbying.

(4) Conferences except those held to conduct the general administration of the non-Federal entity. See also §200.432 Conferences.

(5) Maintenance, protection, and investment of special funds not used in operation of the non-Federal entity. See also §200.442 Fund raising and investment management costs.

(6) Administration of group benefits on behalf of members or clients, including life and hospital insurance, annuity or retirement plans, and financial aid. See also §200.431 Compensation—fringe benefits.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

**HCDE is a local government and not a non for profit organization.**

**§200.414 Indirect (F&A) costs.** As outlined by the subtitle

(a) *Facilities and Administration Classification.* For major IHEs and major nonprofit organizations, indirect (F&A) costs must be classified within two broad categories: “Facilities” and “Administration.” “*Facilities*” is defined as depreciation on buildings, equipment and capital improvement, interest on debt associated with certain buildings, equipment and capital improvements, and operations and maintenance expenses. “*Administration*” is defined as general administration and general expenses such as the director’s office, accounting, personnel and all other types of expenditures not listed specifically under one of the subcategories of “Facilities” (including cross allocations from other pools, where applicable). For nonprofit organizations, library expenses are included in the “Administration” category; for institutions of higher education, they are included in the “Facilities” category. Major IHEs are defined as those required to use the Standard Format for Submission as noted in Appendix III to Part 200—Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs) paragraph C. 11. Major nonprofit organizations are those which receive more than \$10 million dollars in direct Federal funding.

(b) *Diversity of nonprofit organizations.* Because of the diverse characteristics and accounting practices of nonprofit organizations, it is not possible to specify the types of cost which may be classified as indirect (F&A) cost in all situations. Identification with a Federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect (F&A) costs of Federal awards. However, typical examples of indirect (F&A) cost for many nonprofit organizations may include depreciation on buildings and equipment, the costs of operating and maintaining facilities, and general administration and general expenses, such as the salaries and expenses of executive officers, personnel administration, and accounting.

(c) *Federal Agency Acceptance of Negotiated Indirect Cost Rates.* (See also §200.306 Cost sharing or matching.)

(1) The negotiated rates must be accepted by all Federal awarding agencies. A Federal awarding agency may use a rate different from the negotiated rate for a class of Federal awards or a single Federal award only when required by Federal statute or regulation, or when approved by a Federal awarding agency head or delegate based on documented justification as described in paragraph (c)(3) of this section.

(2) The Federal awarding agency head or delegate must notify OMB of any approved deviations.

(3) The Federal awarding agency must implement, and make publicly available, the policies, procedures and general decision-making criteria that their programs will follow to seek and justify deviations from negotiated rates.

(4) As required under §200.203 Notices of funding opportunities, the Federal awarding agency must include in the notice of funding opportunity the policies relating to indirect cost rate reimbursement, matching, or cost share as approved under paragraph



(e)(1) of this section. As appropriate, the Federal agency should incorporate discussion of these policies into Federal awarding agency outreach activities with non-Federal entities prior to the posting of a notice of funding opportunity.

(d) Pass-through entities are subject to the requirements in §200.331 Requirements for pass-through entities, paragraph (a)(4).

(e) Requirements for development and submission of indirect (F&A) cost rate proposals and cost allocation plans are contained in Appendices III-VII and Appendix IX as follows:

(1) Appendix III to Part 200—Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs);

(2) Appendix IV to Part 200—Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations;

(3) Appendix V to Part 200—State/Local Governmentwide Central Service Cost Allocation Plans;

(4) Appendix VI to Part 200—Public Assistance Cost Allocation Plans;

(5) Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals; and

(6) Appendix IX to Part 200—Hospital Cost Principles.

(f) In addition to the procedures outlined in the appendices in paragraph (e) of this section, any non-Federal entity that has never received a negotiated indirect cost rate, except for those non-Federal entities described in Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals, paragraph D.1.b, may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) which may be used indefinitely. As described in §200.403 Factors affecting allowability of costs, costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate for a rate, which the non-Federal entity may apply to do at any time.

(g) Any Non-Federal entity that has a current federally negotiated indirect cost rate may apply for a one-time extension of the rates in that agreement for a period of up to four years. This extension will be subject to the review and approval of the cognizant agency for indirect costs. If an extension is granted the non-Federal entity may not request a rate review until the extension period ends. At the end of the 4-year extension, the non-Federal entity must re-apply to negotiate a rate. Subsequent one-time extensions (up to four years) are permitted if a renegotiation is completed between each extension request.



**HCDE calculates indirect costs according to the federal requirements, and the calculation is sent to TEA (granting agency) for review and approval.**

**§200.415 Required certifications.** As outlined by the subtitle

**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).”**

**HCDE has implemented a certification for all draw down payments in the Business Office. The Program Director, the Staff Accountant, the Chief Accounting Officer and the Assistant Supt for Business will sign.**

(b) Certification of cost allocation plan or indirect (F&A) cost rate proposal. Each cost allocation plan or indirect (F&A) **cost rate proposal must comply** with the following:

(1) A proposal to establish a cost allocation plan or an indirect (F&A) cost rate, whether submitted to a Federal cognizant agency for indirect costs or maintained on file by the non-Federal entity, must be certified by the non-Federal entity using the Certificate of Cost Allocation Plan or Certificate of Indirect Costs as set forth in Appendices III through VII, and Appendix IX. **The certificate must be signed on behalf of the non-Federal entity by an individual at a level no lower than vice president or chief financial officer of the non-Federal entity that submits the proposal.** **HCDE has implemented this requirement as part of the submission for the rate.**

(2) Unless the non-Federal entity has elected the option under §200.414 Indirect (F&A) costs, paragraph (f), the Federal Government may either disallow all indirect (F&A) costs or unilaterally establish such a plan or rate when the non-Federal entity fails to submit a certified proposal for establishing such a plan or rate in accordance with the requirements. Such a plan or rate may be based upon audited historical data or such other data that have been furnished to the cognizant agency for indirect costs and for which it can be demonstrated that all unallowable costs have been excluded. When a

cost allocation plan or indirect cost rate is unilaterally established by the Federal Government because the non-Federal entity failed to submit a certified proposal, the plan or rate established will be set to ensure that potentially unallowable costs will not be reimbursed.

(c) Certifications by non-profit organizations as appropriate that they did not meet the definition of a major nonprofit organization as defined in §200.414 Indirect (F&A) costs, paragraph (a).

(d) See also §200.450 Lobbying for another required certification.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75886, Dec. 19, 2014]

## SPECIAL CONSIDERATIONS FOR STATES, LOCAL GOVERNMENTS AND INDIAN TRIBES

**§200.416 Cost allocation plans and indirect cost proposals.** As outlined by the subtitle

(a) For states, local governments and Indian tribes, certain services, such as motor pools, computer centers, purchasing, accounting, etc., are provided to operating agencies on a centralized basis. Since Federal awards are performed within the individual operating agencies, **there needs to be a process whereby these central service costs can be identified and assigned to benefitted activities on a reasonable and consistent basis.** The central service cost allocation plan provides that process.

(b) Individual operating agencies (governmental department or agency), normally charge Federal awards for indirect costs through an indirect cost rate. A separate indirect cost rate(s) proposal for each operating agency is usually necessary to claim indirect costs under Federal awards. Indirect costs include:

(1) The indirect costs originating in each department or agency of the governmental unit carrying out Federal awards and

(2) The costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

(c) The requirements for development and submission of cost allocation plans (for central service costs and public assistance programs) and indirect cost rate proposals are contained in appendices IV, V and VI to this part.

**HCDE prepares an indirect cost proposal and uses it to charge indirect costs.**

**§200.417 Interagency service.** As outlined by the subtitle

The cost of services provided by one agency to another within the governmental unit may include allowable direct costs of the service plus a pro-rated share of indirect costs. A standard indirect cost allowance equal to ten percent of the direct salary and wage cost of providing the service (excluding overtime, shift premiums, and fringe benefits) may be used in lieu of determining the actual indirect costs of the service. These services do not include centralized services included in central service cost allocation plans as described in Appendix V to Part 200—State/Local Government and Indian Tribe-Wide Central Service Cost Allocation Plans.

**HCDE prepares an indirect cost proposal and uses it to charge indirect costs.**

## SPECIAL CONSIDERATIONS FOR INSTITUTIONS OF HIGHER EDUCATION

**§200.418 Costs incurred by states and local governments.** As outlined by the subtitle

**§200.419 Cost accounting standards and disclosure statement.** As outlined by the subtitle

## GENERAL PROVISIONS FOR SELECTED ITEMS OF COST

**§200.420 Considerations for selected items of cost.**

**§200.421 Advertising and public relations.**

(a) The term advertising costs means the costs of advertising media and corollary administrative costs. **Advertising media include magazines, newspapers, radio and television, direct mail, exhibits, electronic or computer transmittals, and the like.**

(b) The **only allowable advertising costs** are those which are solely for:

(1) The recruitment of personnel required by the non-Federal entity for performance of a Federal award (See also §200.463 Recruiting costs); **(HCDE uses advertising, but it is charged part of indirect costs).**

(2) The procurement of goods and services for the performance of a Federal award; **(HCDE uses advertising, but it is charged part of indirect costs).**

(3) The disposal of scrap or surplus materials acquired in the performance of a Federal award except when non-Federal entities are reimbursed for disposal costs at a predetermined amount; or **(HCDE uses advertising, but it is charged part of indirect costs).**

(4) Program outreach and other specific purposes necessary to meet the requirements of the Federal award. **(HCDE uses advertising, and it is charged to the direct program cost.)**

(c) The term “**public relations**” **includes** community relations and means those activities dedicated to maintaining the image of the non-Federal entity or maintaining or promoting understanding and favorable relations with the community or public at large or any segment of the public.

(d) The **only allowable public relations costs** are:

(1) Costs specifically required by the Federal award; **(HCDE uses public realations, and it is charged to the direct program cost.)**

(2) Costs of communicating with the public and press pertaining to specific activities or accomplishments which result from performance of the Federal award (these costs are considered necessary as part of the outreach effort for the Federal award); or **(HCDE uses public relations costs, but they are charged part of indirect costs).**

(3) Costs of conducting general liaison with news media and government public relations officers, to the extent that such activities are limited to communication and liaison necessary to keep the public informed on matters of public concern, such as notices of funding opportunities, financial matters, etc. **(HCDE uses public relations costs, but they are charged part of indirect costs).**

(e) **Unallowable advertising and public relations costs** include the following:

**(1) All advertising and public relations costs other than as specified in paragraphs (b) and (d) of this section;**

**(2) Costs of meetings, conventions, convocations, or other events related to other activities of the entity (see also §200.432 Conferences), including:**

**(i) Costs of displays, demonstrations, and exhibits;**

**(ii) Costs of meeting rooms, hospitality suites, and other special facilities used in conjunction with shows and other special events; and**

**(iii) Salaries and wages of employees engaged in setting up and displaying exhibits, making demonstrations, and providing briefings;**

**(3) Costs of promotional items and memorabilia, including models, gifts, and souvenirs;**

**(4) Costs of advertising and public relations designed solely to promote the non-Federal entity.**

**HCDE does not allow these costs to be paid through federal funds in accordance with this section.**

## **§200.422 Advisory councils.**

Costs incurred by advisory councils or committees **are unallowable** unless authorized by statute, the Federal awarding agency or as an indirect cost where allocable to Federal awards. See §200.444 General costs of government, applicable to states, local governments and Indian tribes.

**HCDE does not allow these costs to be paid through federal funds in accordance with this section unless they are authorized and documented in the federal application.**

## **§200.423 Alcoholic beverages. Unallowable**

## **§200.424 Alumni/ae activities. Unallowable**

## **§200.425 Audit services.**

(a) A reasonably proportionate share of the costs of audits required by, and performed in accordance with, the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507), as implemented by requirements of this part, are allowable. However, the following audit costs are unallowable:

(1) Any costs when audits required by the Single Audit Act and Subpart F—Audit Requirements of this part have not been conducted or have been conducted but not in accordance therewith; and

(2) Any costs of auditing a non-Federal entity that is exempted from having an audit conducted under the Single Audit Act and Subpart F—Audit Requirements of this part because its expenditures under Federal awards are less than \$750,000 during the non-Federal entity's fiscal year.

(b) The costs of a financial statement audit of a non-Federal entity that does not currently have a Federal award may be included in the indirect cost pool for a cost allocation plan or indirect cost proposal.

(c) Pass-through entities may charge Federal awards for the cost of agreed-upon-procedures engagements to monitor subrecipients (in accordance with Subpart D—Post Federal Award Requirements of this part, §§200.330 Subrecipient and contractor determinations through 200.332 Fixed Amount Sub awards) who are exempted from the requirements of the Single Audit Act and Subpart F—Audit Requirements of this part. This cost is allowable only if the agreed-upon-procedures engagements are:

(1) Conducted in accordance with GAGAS attestation standards;

(2) Paid for and arranged by the pass-through entity; and

(3) Limited in scope to one or more of the following types of compliance requirements: activities allowed or unallowed; allowable costs/cost principles; eligibility; and reporting.

**(HCDE uses audit costs, but they are charged part of indirect costs).**

#### **§200.426 Bad debts. Unallowable**

#### **§200.427 Bonding costs.**

(a) Bonding costs arise when the Federal awarding agency requires assurance against financial loss to itself or others by reason of the act or default of the non-Federal entity. They arise also in instances where the non-Federal entity requires similar assurance, including: bonds as bid, performance, payment, advance payment, infringement, and fidelity bonds for employees and officials.

(b) Costs of bonding required pursuant to the terms and conditions of the Federal award are allowable.

(c) Costs of bonding required by the non-Federal entity in the general conduct of its operations are allowable as an indirect cost to the extent that such bonding is in accordance with sound business practice and the rates and premiums are reasonable under the circumstances.

**(HCDE uses bonding costs, but they are charged part of indirect costs).**

#### **§200.428 Collections of improper payments.**

The costs incurred by a non-Federal entity to recover improper payments are allowable as either direct or indirect costs, as appropriate. Amounts collected may be used by the non-Federal entity in accordance with cash management standards set forth in §200.305 *Payment*.

**(HCDE uses collections of receivables costs, but they are charged part of indirect costs).**

#### **§200.429 Commencement and convocation costs. Unallowable**

#### **§200.430 Compensation—personal services.**

(a) *General.* Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits

which are addressed in §200.431 Compensation—fringe benefits. Costs of compensation are allowable to the extent that they satisfy the specific requirements of this part, and that the total compensation for individual employees:

(1) Is reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities;

(2) Follows an appointment made in accordance with a non-Federal entity's laws and/or rules or written policies and meets the requirements of Federal statute, where applicable; and

(3) Is determined and supported as provided in paragraph (i) of this section, Standards for Documentation of Personnel Expenses, when applicable.

(b) *Reasonableness*. Compensation for employees engaged in work on Federal awards will be considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the non-Federal entity. In cases where the kinds of employees required for Federal awards are not found in the other activities of the non-Federal entity, compensation will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor market in which the non-Federal entity competes for the kind of employees involved.

(c) ***Professional activities outside the non-Federal entity***. Unless an arrangement is specifically authorized by a Federal awarding agency, a non-Federal entity must follow its written non-Federal entity-wide policies and practices concerning the permissible extent of professional services that can be provided outside the non-Federal entity for non-organizational compensation. Where such non-Federal entity-wide written policies do not exist, or do not adequately define the permissible extent of consulting or other non-organizational activities undertaken for extra outside pay, the Federal Government may require that the effort of professional staff working on Federal awards be allocated between:

(1) Non-Federal entity activities, and

(2) Non-organizational professional activities. If the Federal awarding agency considers the extent of non-organizational professional effort excessive or inconsistent with the conflicts-of-interest terms and conditions of the Federal award, appropriate arrangements governing compensation will be negotiated on a case-by-case basis.

(d) *Unallowable costs*. (1) Costs which are unallowable under other sections of these principles must not be allowable under this section solely on the basis that they constitute personnel compensation.

(2) The allowable compensation for certain employees is subject to a ceiling in accordance with statute. For the amount of the ceiling for cost-reimbursement contracts, the covered compensation subject to the ceiling, the covered employees, and other



relevant provisions, see 10 U.S.C. 2324(e)(1)(P), and 41 U.S.C. 1127 and 4304(a)(16). For other types of Federal awards, other statutory ceilings may apply.

(e) *Special considerations.* Special considerations in determining allowability of compensation will be given to any change in a non-Federal entity's compensation policy resulting in a substantial increase in its employees' level of compensation (particularly when the change was concurrent with an increase in the ratio of Federal awards to other activities) or any change in the treatment of allowability of specific types of compensation due to changes in Federal policy.

(f) *Incentive compensation.* Incentive compensation to employees based on cost reduction, or efficient performance, suggestion awards, safety awards, etc., is allowable to the extent that the overall compensation is determined to be reasonable and such costs are paid or accrued pursuant to an agreement entered into in good faith between the non-Federal entity and the employees before the services were rendered, or pursuant to an established plan followed by the non-Federal entity so consistently as to imply, in effect, an agreement to make such payment.

(g) *Nonprofit organizations.* For compensation to members of nonprofit organizations, trustees, directors, associates, officers, or the immediate families thereof, determination must be made that such compensation is reasonable for the actual personal services rendered rather than a distribution of earnings in excess of costs. This may include directors and executive committee member's fees, incentive awards, allowances for off-site pay, incentive pay, location allowances, hardship pay, and cost-of-living differentials.

(h) *Institutions of higher education (IHEs).* (1) Certain conditions require special consideration and possible limitations in determining allowable personnel compensation costs under Federal awards. Among such conditions are the following:

(i) Allowable activities. Charges to Federal awards may include reasonable amounts for activities contributing and directly related to work under an agreement, such as delivering special lectures about specific aspects of the ongoing activity, writing reports and articles, developing and maintaining protocols (human, animals, etc.), managing substances/chemicals, managing and securing project-specific data, coordinating research subjects, participating in appropriate seminars, consulting with colleagues and graduate students, and attending meetings and conferences.

(ii) Incidental activities. Incidental activities for which supplemental compensation is allowable under written institutional policy (at a rate not to exceed institutional base salary) need not be included in the records described in paragraph (i) of this section to directly charge payments of incidental activities, such activities must either be specifically provided for in the Federal award budget or receive prior written approval by the Federal awarding agency.

(2) *Salary basis.* Charges for work performed on Federal awards by faculty members during the academic year are allowable at the IBS rate. Except as noted in



paragraph (h)(1)(ii) of this section, in no event will charges to Federal awards, irrespective of the basis of computation, exceed the proportionate share of the IBS for that period. This principle applies to all members of faculty at an institution. IBS is defined as the annual compensation paid by an IHE for an individual's appointment, whether that individual's time is spent on research, instruction, administration, or other activities. IBS excludes any income that an individual earns outside of duties performed for the IHE. Unless there is prior approval by the Federal awarding agency, charges of a faculty member's salary to a Federal award must not exceed the proportionate share of the IBS for the period during which the faculty member worked on the award.

(3) *Intra-Institution of Higher Education (IHE) consulting.* Intra-IHE consulting by faculty is assumed to be undertaken as an IHE obligation requiring no compensation in addition to IBS. However, in unusual cases where consultation is across departmental lines or involves a separate or remote operation, and the work performed by the faculty member is in addition to his or her regular responsibilities, any charges for such work representing additional compensation above IBS are allowable provided that such consulting arrangements are specifically provided for in the Federal award or approved in writing by the Federal awarding agency.

(4) Extra Service Pay normally represents overload compensation, subject to institutional compensation policies for services above and beyond IBS. Where extra service pay is a result of Intra-IHE consulting, it is subject to the same requirements of paragraph (b) above. It is allowable if all of the following conditions are met:

(i) The Non-Federal entity establishes consistent written policies which apply uniformly to all faculty members, not just those working on Federal awards.

(ii) The Non-Federal entity establishes a consistent written definition of work covered by IBS which is specific enough to determine conclusively when work beyond that level has occurred. This may be described in appointment letters or other documentations.

(iii) The supplementation amount paid is commensurate with the IBS rate of pay and the amount of additional work performed. See paragraph (h)(2) of this section.

(iv) The salaries, as supplemented, fall within the salary structure and pay ranges established by and documented in writing or otherwise applicable to the non-Federal entity.

(v) The total salaries charged to Federal awards including extra service pay are subject to the Standards of Documentation as described in paragraph (i) of this section.

(5) *Periods outside the academic year.* (i) Except as specified for teaching activity in paragraph (h)(5)(ii) of this section, charges for work performed by faculty members on Federal awards during periods not included in the base salary period will be at a rate not in excess of the IBS.

(ii) Charges for teaching activities performed by faculty members on Federal awards during periods not included in IBS period will be based on the normal written policy of the IHE governing compensation to faculty members for teaching assignments during such periods.

(6) *Part-time faculty.* Charges for work performed on Federal awards by faculty members having only part-time appointments will be determined at a rate not in excess of that regularly paid for part-time assignments.

(7) *Sabbatical leave costs.* Rules for sabbatical leave are as follow:

(i) Costs of leaves of absence by employees for performance of graduate work or sabbatical study, travel, or research are allowable provided the IHE has a uniform written policy on sabbatical leave for persons engaged in instruction and persons engaged in research. Such costs will be allocated on an equitable basis among all related activities of the IHE.

(ii) Where sabbatical leave is included in fringe benefits for which a cost is determined for assessment as a direct charge, the aggregate amount of such assessments applicable to all work of the institution during the base period must be reasonable in relation to the IHE's actual experience under its sabbatical leave policy.

(8) *Salary rates for non-faculty members.* Non-faculty full-time professional personnel may also earn "extra service pay" in accordance with the non-Federal entity's written policy and consistent with paragraph (h)(1)(i) of this section.

(i) *Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

(i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;

(ii) Be incorporated into the official records of the non-Federal entity;

(iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS);

**(iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;**

(v) Comply with the established accounting policies and practices of the non-Federal entity (See paragraph (h)(1)(ii) above for treatment of incidental work for IHEs.); and

(vi) [Reserved]

(vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

(viii) Budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that:

(A) The system for establishing the estimates produces reasonable approximations of the activity actually performed;

(B) Significant changes in the corresponding work activity (as defined by the non-Federal entity's written policies) are identified and entered into the records in a timely manner. Short term (such as one or two months) fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term; and

(C) The Non-Federal entity's system of internal controls includes processes to review after-the-fact interim charges made to a Federal awards based on budget estimates. All necessary adjustment must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

(ix) Because practices vary as to the activity constituting a full workload (for IHEs, IBS), records may reflect categories of activities expressed as a percentage distribution of total activities.

(x) It is recognized that teaching, research, service, and administration are often inextricably intermingled in an academic setting. When recording salaries and wages charged to Federal awards for IHEs, a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected.

(2) For records which meet the standards required in paragraph (i)(1) of this section, the non-Federal entity will not be required to provide additional support or documentation for the work performed, other than that referenced in paragraph (i)(3) of this section.

(3) In accordance with Department of Labor regulations implementing the Fair Labor Standards Act (FLSA) (29 CFR part 516), charges for the salaries and wages of nonexempt employees, in addition to the supporting documentation described in this section, must also be supported by records indicating the total number of hours worked each day.

(4) Salaries and wages of employees used in meeting cost sharing or matching requirements on Federal awards must be supported in the same manner as salaries and wages claimed for reimbursement from Federal awards.

(5) For states, local governments and Indian tribes, substitute processes or systems for allocating salaries and wages to Federal awards may be used in place of or in addition to the records described in paragraph (1) if approved by the cognizant agency for indirect cost. Such systems may include, but are not limited to, random moment sampling, “rolling” time studies, case counts, or other quantifiable measures of work performed.

(i) Substitute systems which use sampling methods (primarily for Temporary Assistance for Needy Families (TANF), the Supplemental Nutrition Assistance Program (SNAP), Medicaid, and other public assistance programs) must meet acceptable statistical sampling standards including:

(A) The sampling universe must include all of the employees whose salaries and wages are to be allocated based on sample results except as provided in paragraph (i)(5)(iii) of this section;

(B) The entire time period involved must be covered by the sample; and

(C) The results must be statistically valid and applied to the period being sampled.

(ii) Allocating charges for the sampled employees' supervisors, clerical and support staffs, based on the results of the sampled employees, will be acceptable.

(iii) Less than full compliance with the statistical sampling standards noted in subsection (5)(i) may be accepted by the cognizant agency for indirect costs if it concludes that the amounts to be allocated to Federal awards will be minimal, or if it concludes that the system proposed by the non-Federal entity will result in lower costs to Federal awards than a system which complies with the standards.

(6) Cognizant agencies for indirect costs are encouraged to approve alternative proposals based on outcomes and milestones for program performance where these are clearly documented. Where approved by the Federal cognizant agency for indirect costs, these plans are acceptable as an alternative to the requirements of paragraph (i)(1) of this section.

(7) For Federal awards of similar purpose activity or instances of approved blended funding, a non-Federal entity may submit performance plans that incorporate funds from multiple Federal awards and account for their combined use based on performance-oriented metrics, provided that such plans are approved in advance by all involved Federal awarding agencies. In these instances, the non-Federal entity must submit a request for waiver of the requirements based on documentation that describes the method of charging costs, relates the charging of costs to the specific activity that is

applicable to all fund sources, and is based on quantifiable measures of the activity in relation to time charged.

(8) For a non-Federal entity where the records do not meet the standards described in this section, the Federal Government may require personnel activity reports, including prescribed certifications, or equivalent documentation that support the records as required in this section.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75886, Dec. 19, 2014]

**HCDE uses personnel costs, and they are charged part of direct costs as allowed under this section.**

### **§200.431 Compensation—fringe benefits.**

- (a) Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave (vacation, family-related, sick or military), employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in these principles, the costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, non-Federal entity-employee agreement, or an established policy of the non-Federal entity.

**HCDE allocates fringe benefits in accordance with policies consistent to federal and non-federal cost objectives.**

(b) *Leave.* The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, family-related leave, sick leave, holidays, court leave, military leave, administrative leave, and other similar benefits, are allowable if all of the following criteria are met:

(1) They are provided under established written leave policies; **HCDE applies all personnel policies consistently to all employees.**

(2) The costs are equitably allocated to all related activities, including Federal awards; and, **HCDE applies all personnel policies consistently to all employees.**

(3) The accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the non-Federal entity or specified grouping of employees. **HCDE uses modified accrual basis of accounting as required by GASB standards. For drawdown purposes, HCDE uses cash basis which means that it pays for costs and then is reimbursed from the grant.**

(i) When a non-Federal entity uses the cash basis of accounting, the cost of leave is recognized in the period that the leave is taken and paid for. Payments for unused leave when an employee retires or terminates employment are allowable in the year of payment. **For drawdown purposes, HCDE uses cash basis which means that it pays for costs and then is reimbursed from the grant.**

(ii) The accrual basis may be only used for those types of leave for which a liability as defined by GAAP exists when the leave is earned. When a non-Federal entity uses the accrual basis of accounting, allowable leave costs are the lesser of the amount accrued or funded.

**For drawdown purposes, HCDE uses cash basis which means that it pays for costs and then is reimbursed from the grant.**

(c) The cost of fringe benefits in the form of employer contributions or expenses for social security; employee life, health, unemployment, and worker's compensation insurance (except as indicated in §200.447 Insurance and indemnification); pension plan costs (see paragraph (i) of this section); and other similar benefits are allowable, provided such benefits are granted under established written policies. Such benefits, must be allocated to Federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such Federal awards and other activities, and charged as direct or indirect costs in accordance with the non-Federal entity's accounting practices. **HCDE grants fringe benefits in accordance with established policies.**

(d) Fringe benefits may be assigned to cost objectives by identifying specific benefits to specific individual employees or by allocating on the basis of entity-wide salaries and wages of the employees receiving the benefits. When the allocation method is used, separate allocations must be made to selective groupings of employees, unless the non-Federal entity demonstrates that costs in relationship to salaries and wages do not differ significantly for different groups of employees.

**HCDE allocates fringe benefits in accordance with policies consistent to federal and non-federal cost objectives.**

(e) *Insurance*. See also §200.447 Insurance and indemnification, paragraphs (d)(1) and (2).

(1) Provisions for a reserve under a self-insurance program for unemployment compensation or workers' compensation are allowable to the extent that the provisions represent reasonable estimates of the liabilities for such compensation, and the types of coverage, extent of coverage, and rates and premiums would have been allowable had insurance been purchased to cover the risks. However, provisions for self-insured liabilities which do not become payable for more than one year after the provision is made must not exceed the present value of the liability.

**HCDE allocates worker's comp. costs in accordance with policies consistent to federal and non-federal cost objectives.**

(2) Costs of insurance on the lives of trustees, officers, or other employees holding positions of similar responsibility are allowable only to the extent that the insurance represents additional compensation. The costs of such insurance when the non-Federal entity is named as beneficiary are unallowable.

**HCDE provides life insurance coverage to all employees consistent with personnel policies.**

(3) Actual claims paid to or on behalf of employees or former employees for workers' compensation, unemployment compensation, severance pay, and similar employee benefits (e.g., post-retirement health benefits), are allowable in the year of payment provided that the non-Federal entity follows a consistent costing policy.

**HCDE allocates insurance costs in accordance with policies consistent to federal and non-federal cost objectives.**

(f) *Automobiles*. That portion of automobile costs furnished by the entity that relates to personal use by employees (including transportation to and from work) **is unallowable** as fringe benefit or indirect (F&A) costs regardless of whether the cost is reported as taxable income to the employees.

**HCDE does not provide auto allowances for employees charged to federal grants.**

(g) *Pension Plan Costs*. Pension plan costs which are incurred in accordance with the established policies of the non-Federal entity are allowable, provided that:

(1) Such policies meet the test of reasonableness.

(2) The methods of cost allocation are not discriminatory.

(3) For entities using accrual based accounting, the cost assigned to each fiscal year is determined in accordance with GAAP.

(4) The costs assigned to a given fiscal year are funded for all plan participants within six months after the end of that year. However, increases to normal and past service pension costs caused by a delay in funding the actuarial liability beyond 30 calendar days after each quarter of the year to which such costs are assignable are unallowable. Non-Federal entity may elect to follow the "Cost Accounting Standard for Composition and Measurement of Pension Costs" (48 CFR 9904.412).

(5) Pension plan termination insurance premiums paid pursuant to the Employee Retirement Income Security Act (ERISA) of 1974 (29 U.S.C. 1301-1461) are allowable. Late payment charges on such premiums are unallowable. Excise taxes on



accumulated funding deficiencies and other penalties imposed under ERISA are unallowable.

(6) Pension plan costs may be computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with established written policies of the non-Federal entity.

(i) For pension plans financed on a pay-as-you-go method, allowable costs will be limited to those representing actual payments to retirees or their beneficiaries.

(ii) Pension costs calculated using an actuarial cost-based method recognized by GAAP are allowable for a given fiscal year if they are funded for that year within six months after the end of that year. Costs funded after the six-month period (or a later period agreed to by the cognizant agency for indirect costs) are allowable in the year funded. The cognizant agency for indirect costs may agree to an extension of the six-month period if an appropriate adjustment is made to compensate for the timing of the charges to the Federal Government and related Federal reimbursement and the non-Federal entity's contribution to the pension fund. Adjustments may be made by cash refund or other equitable procedures to compensate the Federal Government for the time value of Federal reimbursements in excess of contributions to the pension fund.

(iii) Amounts funded by the non-Federal entity in excess of the actuarially determined amount for a fiscal year may be used as the non-Federal entity's contribution in future periods.

(iv) When a non-Federal entity converts to an acceptable actuarial cost method, as defined by GAAP, and funds pension costs in accordance with this method, the unfunded liability at the time of conversion is allowable if amortized over a period of years in accordance with GAAP.

(v) The Federal Government must receive an equitable share of any previously allowed pension costs (including earnings thereon) which revert or inure to the non-Federal entity in the form of a refund, withdrawal, or other credit.

**HCDE allocates pension costs in accordance with policies consistent to federal and non-federal cost objectives.**

(h) *Post-Retirement Health.* Post-retirement health plans (PRHP) refers to costs of health insurance or health services not included in a pension plan covered by paragraph (g) of this section for retirees and their spouses, dependents, and survivors. PRHP costs may be computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with established written policies of the non-Federal entity.

**HCDE does not provide post-retirement health costs.**

(1) For PRHP financed on a pay-as-you-go method, allowable costs will be limited to those representing actual payments to retirees or their beneficiaries.



(2) PRHP costs calculated using an actuarial cost method recognized by GAAP are allowable if they are funded for that year within six months after the end of that year. Costs funded after the six-month period (or a later period agreed to by the cognizant agency) are allowable in the year funded. The Federal cognizant agency for indirect costs may agree to an extension of the six-month period if an appropriate adjustment is made to compensate for the timing of the charges to the Federal Government and related Federal reimbursements and the non-Federal entity's contributions to the PRHP fund. Adjustments may be made by cash refund, reduction in current year's PRHP costs, or other equitable procedures to compensate the Federal Government for the time value of Federal reimbursements in excess of contributions to the PRHP fund.

(3) Amounts funded in excess of the actuarially determined amount for a fiscal year may be used as the Federal Government's contribution in a future period.

(4) When a non-Federal entity converts to an acceptable actuarial cost method and funds PRHP costs in accordance with this method, the initial unfunded liability attributable to prior years is allowable if amortized over a period of years in accordance with GAAP, or, if no such GAAP period exists, over a period negotiated with the cognizant agency for indirect costs.

(5) To be allowable in the current year, the PRHP costs must be paid either to:

(i) An insurer or other benefit provider as current year costs or premiums, or

(ii) An insurer or trustee to maintain a trust fund or reserve for the sole purpose of providing post-retirement benefits to retirees and other beneficiaries.

(6) The Federal Government must receive an equitable share of any amounts of previously allowed post-retirement benefit costs (including earnings thereon) which revert or inure to the non-Federal entity in the form of a refund, withdrawal, or other credit.

### **HCDE does not provide post-retirement benefits**

(i) *Severance Pay.* (1) Severance pay, also commonly referred to as dismissal wages, is a payment in addition to regular salaries and wages, by non-Federal entities to workers whose employment is being terminated. Costs of severance pay are allowable only to the extent that in each case, it is required by (a) law, (b) employer-employee agreement, (c) established policy that constitutes, in effect, an implied agreement on the non-Federal entity's part, or (d) circumstances of the particular employment.

(2) Costs of severance payments are divided into two categories as follows:

(i) Actual normal turnover severance payments must be allocated to all activities; or, where the non-Federal entity provides for a reserve for normal severances, such method will be acceptable if the charge to current operations is reasonable in light of

payments actually made for normal severances over a representative past period, and if amounts charged are allocated to all activities of the non-Federal entity.

(ii) Measurement of costs of abnormal or mass severance pay by means of an accrual will not achieve equity to both parties. Thus, accruals for this purpose are not allowable. However, the Federal Government recognizes its obligation to participate, to the extent of its fair share, in any specific payment. Prior approval by the Federal awarding agency or cognizant agency for indirect cost, as appropriate, is required.

(3) Costs incurred in certain severance pay packages which are in an amount in excess of the normal severance pay paid by the non-Federal entity to an employee upon termination of employment and are paid to the employee contingent upon a change in management control over, or ownership of, the non-Federal entity's assets, are unallowable.

(4) Severance payments to foreign nationals employed by the non-Federal entity outside the United States, to the extent that the amount exceeds the customary or prevailing practices for the non-Federal entity in the United States, are unallowable, unless they are necessary for the performance of Federal programs and approved by the Federal awarding agency.

**HCDE adheres to this section when severance pay is paid in accordance with personnel policies.**

(5) Severance payments to foreign nationals employed by the non-Federal entity outside the United States due to the termination of the foreign national as a result of the closing of, or curtailment of activities by, the non-Federal entity in that country, are unallowable, unless they are necessary for the performance of Federal programs and approved by the Federal awarding agency.

**HCDE adheres to this section when severance pay is paid in accordance with personnel policies.**

(j)(1) *For IHEs only.* Fringe benefits in the form of tuition or remission of tuition for individual employees are allowable, provided such benefits are granted in accordance with established non-Federal entity policies, and are distributed to all non-Federal entity activities on an equitable basis. Tuition benefits for family members other than the employee is unallowable.

(2) Fringe benefits in the form of tuition or remission of tuition for individual employees not employed by IHEs are limited to the tax-free amount allowed per section 127 of the Internal Revenue Code as amended.

(3) IHEs may offer employees tuition waivers or tuition reductions for undergraduate education under IRC Section 117(d) as amended, provided that the benefit does not discriminate in favor of highly compensated employees. Federal reimbursement of tuition or remission of tuition is also limited to the institution for which

the employee works. See §200.466 Scholarships and student aid costs, for treatment of tuition remission provided to students.

(k) For IHEs whose costs are paid by state or local governments, fringe benefit programs (such as pension costs and FICA) and any other benefits costs specifically incurred on behalf of, and in direct benefit to, the non-Federal entity, are allowable costs of such non-Federal entities whether or not these costs are recorded in the accounting records of the non-Federal entities, subject to the following:

(1) The costs meet the requirements of Basic Considerations in §§200.402 Composition of costs through 200.411 Adjustment of previously negotiated indirect (F&A) cost rates containing unallowable costs of this subpart;

(2) The costs are properly supported by approved cost allocation plans in accordance with applicable Federal cost accounting principles; and

(3) The costs are not otherwise borne directly or indirectly by the Federal Government.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75886, Dec. 19, 2014]

**HCDE charges fringe benefits costs to the grant as part of direct costs as allowed under this section.**

## **§200.432 Conferences.**

A conference is defined as a meeting, retreat, seminar, symposium, workshop or event whose primary purpose is the dissemination of technical information beyond the non-Federal entity and is necessary and reasonable for successful performance under the Federal award.

**Allowable conference costs** paid by the non-Federal entity as a sponsor or host of the conference may include rental of facilities, speakers' fees, costs of meals and refreshments, local transportation, and other items incidental to such conferences unless further restricted by the terms and conditions of the Federal award. As needed, the costs of identifying, but not providing, locally available dependent-care resources are allowable.

Conference hosts/sponsors must exercise discretion and judgment in ensuring that conference costs are appropriate, necessary and managed in a manner that minimizes costs to the Federal award.

The Federal awarding agency may authorize exceptions where appropriate for programs including Indian tribes, children, and the elderly. See also §§200.438 Entertainment costs, 200.456 Participant support costs, 200.474 Travel costs, and 200.475 Trustees.

**HCDE adheres to these guidelines and charges costs as direct costs as necessary.**

**§200.433 Contingency provisions. Unallowable**

**§200.434 Contributions and donations. Unallowable**

**§200.435 Defense and prosecution of criminal and civil proceedings, Unallowable**

**claims, appeals and patent infringements. Unallowable**

**§200.436 Depreciation. Allowable**

**§200.437 Employee health and welfare costs. Allowable**

(a) Costs incurred in accordance with the non-Federal entity's documented policies for the improvement of working conditions, employer-employee relations, employee health, and employee performance are allowable.

(b) Such costs will be equitably apportioned to all activities of the non-Federal entity. Income generated from any of these activities will be credited to the cost thereof unless such income has been irrevocably sent to employee welfare organizations.

(c) Losses resulting from operating food services are allowable only if the non-Federal entity's objective is to operate such services on a break-even basis. Losses sustained because of operating objectives other than the above are allowable only:

- (1) Where the non-Federal entity can demonstrate unusual circumstances; and
- (2) With the approval of the cognizant agency for indirect costs.

**HCDE adheres to this section when severance pay is paid in accordance with personnel policies. Health insurance is allocated based on rates paid to insurance provider.**

**§200.438 Entertainment costs. Unallowable**

Costs of entertainment, including amusement, diversion, and social activities and any associated costs are unallowable, **except where specific costs** that might otherwise be considered entertainment have a programmatic purpose and are authorized either in the approved budget for the Federal award or with prior written approval of the Federal awarding agency.

**HCDE does not charge entertainment costs, except as identified in the grant.**

**§200.439 Equipment and other capital expenditures. Allowable if in the grant.**

**§200.440 Exchange rates. Allowable**

**§200.441 Fines, penalties, damages and other settlements.**

**Unallowable**

**§200.442 Fund raising and investment management costs.**

**Unallowable**

**§200.443 Gains and losses on disposition of depreciable assets.**

**Allowable – net of expenditure**

**§200.444 General costs of government. Unallowable**

**§200.445 Goods or services for personal use. Unallowable**

**§200.446 Idle facilities and idle capacity. Allowable**

**§200.447 Insurance and indemnification. Allowable**

**§200.448 Intellectual property. Unallowable**

**§200.449 Interest. Allowable**

**§200.450 Lobbying. Unallowable**

**§200.451 Losses on other awards or contracts. Unallowable**

**§200.452 Maintenance and repair costs. Allowable**

**§200.453 Materials and supplies costs, including costs of computing devices. Allowable**

**§200.454 Memberships, subscriptions, and professional activity costs. Allowable**

**§200.455 Organization costs. Unallowable**

**§200.456 Participant support costs. Allowable**

**§200.457 Plant and security costs. Allowable**

**§200.458 Pre-award costs. Allowable**

**§200.459 Professional service costs.**

(a) Costs of professional and consultant services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the non-Federal entity, **are allowable**, subject to paragraphs (b) and (c) when reasonable in relation to the services rendered and when not contingent upon recovery of the costs from the Federal Government. In addition, legal and related services are limited under §200.435 Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements.

(b) In determining the allowability of costs in a particular case, no single factor or any special combination of factors is necessarily determinative. However, the following factors are relevant:

(1) The nature and scope of the service rendered in relation to the service required.

(2) The necessity of contracting for the service, considering the non-Federal entity's capability in the particular area.

(3) The past pattern of such costs, particularly in the years prior to Federal awards.

(4) The impact of Federal awards on the non-Federal entity's business (i.e., what new problems have arisen).

(5) Whether the proportion of Federal work to the non-Federal entity's total business is such as to influence the non-Federal entity in favor of incurring the cost, particularly where the services rendered are not of a continuing nature and have little relationship to work under Federal awards.

(6) Whether the service can be performed more economically by direct employment rather than contracting.

(7) The qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-federally funded activities.

(8) Adequacy of the contractual agreement for the service (e.g., description of the service, estimate of time required, rate of compensation, and termination provisions).

(c) In addition to the factors in paragraph (b) of this section, to be allowable, retainer fees must be supported by evidence of bona fide services available or rendered.

**HCDE has consultant and professional services guidelines to include evaluation of consultant versus employee determination.**

### **§200.460 Proposal costs.**

Proposal costs are the costs of preparing bids, proposals, or applications on potential Federal and non-Federal awards or projects, including the development of data necessary to support the non-Federal entity's bids or proposals. Proposal costs of the current accounting period of both successful and unsuccessful bids and proposals normally should be treated as indirect (F&A) costs and allocated currently to all activities of the non-Federal entity. No proposal costs of past accounting periods will be allocable to the current period.

**HCDE charges proposal costs to indirect costs.**

**§200.461 Publication and printing costs. Allowable**

**§200.462 Rearrangement and reconversion costs. Allowable**

**§200.463 Recruiting costs. Allowable**

**§200.464 Relocation costs of employees. Allowable**

**§200.465 Rental costs of real property and equipment. Allowable**

**§200.466 Scholarships and student aid costs. Allowable**  
**§200.467 Selling and marketing costs. Unallowable**  
**§200.468 Specialized service facilities. Allowable**  
**§200.469 Student activity costs. Unallowable**  
**§200.470 Taxes (including Value Added Tax). Allowable**  
**§200.471 Termination costs. Unallowable**  
**§200.472 Training and education costs. Allowable**  
**§200.473 Transportation costs. Allowable**  
**§200.474 Travel costs.**

#### **200.474 Travel costs.**

(a) *General.* Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the non-Federal entity. **Such costs may be charged** on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the non-Federal entity's non-federally-funded activities and in accordance with non-Federal entity's written travel reimbursement policies. Notwithstanding the provisions of §200.444 General costs of government, travel costs of officials covered by that section are allowable with the prior written approval of the Federal awarding agency or pass-through entity when they are specifically related to the Federal award.

(b) *Lodging and subsistence.* Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the non-Federal entity in its regular operations as the result of the non-Federal entity's written travel policy. In addition, if these costs are charged directly to the Federal award documentation **must justify that:**

(1) Participation of the individual is necessary to the Federal award; and

(2) The costs are reasonable and consistent with non-Federal entity's established travel policy.

(c)(1) Temporary dependent care costs (as dependent is defined in 26 U.S.C. 152) above and beyond regular dependent care that directly results from travel to conferences is allowable provided that:

(i) The costs are a direct result of the individual's travel for the Federal award;

(ii) The costs are consistent with the non-Federal entity's documented travel policy for all entity travel; and



(iii) Are only temporary during the travel period.

(2) Travel costs for dependents are unallowable, except for travel of duration of six months or more with prior approval of the Federal awarding agency. See also §200.432 Conferences.

(d) In the absence of an acceptable, written non-Federal entity policy regarding travel costs, the rates and amounts established under 5 U.S.C. 5701-11, ("Travel and Subsistence Expenses; Mileage Allowances"), or by the Administrator of General Services, or by the President (or his or her designee) pursuant to any provisions of such subchapter must apply to travel under Federal awards (48 CFR 31.205-46(a)).

(e) *Commercial air travel.* (1) Airfare costs in excess of the basic least expensive unrestricted accommodations class offered by commercial airlines are unallowable except when such accommodations would:

(i) Require circuitous routing;

(ii) Require travel during unreasonable hours;

(iii) Excessively prolong travel;

(iv) Result in additional costs that would offset the transportation savings; or

(v) Offer accommodations not reasonably adequate for the traveler's medical needs. The non-Federal entity must justify and document these conditions on a case-by-case basis in order for the use of first-class or business-class airfare to be allowable in such cases.

(2) Unless a pattern of avoidance is detected, the Federal Government will generally not question a non-Federal entity's determinations that customary standard airfare or other discount airfare is unavailable for specific trips if the non-Federal entity can demonstrate that such airfare was not available in the specific case.

(f) *Air travel by other than commercial carrier.* Costs of travel by non-Federal entity-owned, -leased, or -chartered aircraft include the cost of lease, charter, operation (including personnel costs), maintenance, depreciation, insurance, and other related costs. The portion of such costs that exceeds the cost of airfare as provided for in paragraph (d) of this section, is unallowable.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75887, Dec. 19, 2014]

**HCDE has a travel policy that meets this section's requirements.**

## **§200.475 Trustees. Allowable**



## Subpart F—Audit Requirements

### GENERAL

#### §200.500 Purpose.

### AUDITS

#### §200.501 Audit requirements.

#### §200.502 Basis for determining Federal awards expended.

#### §200.503 Relation to other audit requirements.

#### §200.504 Frequency of audits.

#### §200.505 Sanctions.

#### §200.506 Audit costs.

#### §200.507 Program-specific audits.

### AUDITEES

#### §200.508 Auditee responsibilities.

#### §200.509 Auditor selection.

#### §200.510 Financial statements.

(a) *Financial statements.* The auditee must prepare financial statements that reflect its financial position, results of operations or changes in net assets, and, where appropriate, cash flows for the fiscal year audited. The financial statements must be for the same organizational unit and fiscal year that is chosen to meet the requirements of this part. However, non-Federal entity-wide financial statements may also include departments, agencies, and other organizational units that have separate audits in accordance with §200.514 Scope of audit, paragraph (a) and prepare separate financial statements.

(b) *Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with §200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the number of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

(1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

(2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.

(3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.

(4) Include the total amount provided to subrecipients from each Federal program.

(5) For loan or loan guarantee programs described in §200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.

(6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75887, Dec. 19, 2014]

**HCDE prepares monthly financial statements and reports all activity as required.**

[§200.511 Audit findings follow-up.](#)

[§200.512 Report submission.](#)

## FEDERAL AGENCIES

[§200.513 Responsibilities.](#)

## AUDITORS

[§200.514 Scope of audit.](#)

[§200.515 Audit reporting.](#)

[§200.516 Audit findings.](#)

[§200.517 Audit documentation.](#)

[§200.518 Major program determination.](#)

[§200.519 Criteria for Federal program risk.](#)

[§200.520 Criteria for a low-risk auditee.](#)

## MANAGEMENT DECISIONS

[§200.521 Management decision.](#)

[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

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 Government-wide 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—Cost Principles 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

## Standards

Financial Management Standards consist of the application of fiscal controls and written accounting procedures used in managing the program funds. Federal regulations require that (1) financial reporting be accurate, current and disclosed in accordance with the requirements set forth by the respective granting agency; (2) accounting records be maintained and include all documentation pertaining to the source and application of funds provided in the grant award; (3) effective controls over and accountability for all funds must be adequately maintained; (4) financial reports regarding the actual expenditure or outlays compared with budget must be produced monthly; (5) cash management provides assurance for safeguarding funds in an effective and efficient manner; (6) procedures in determining the reasonableness, allocability, and allowability of costs are followed in accordance with the provisions applicable to the federal cost principles and (7) all accounting records and documentation support the procurement of all assets funded by the grant.

## Requirements

A federal review of various grant programs will be conducted at least once every **year by the HCDE Business Office**. The fiscal portion of the review is designed to monitor the performances of the grantee's (HCDE) financial management of program funds. In addition to this mandated review, a targeted on-site review may be performed whenever necessary and deemed by the Business Office.

## References

All federal rules, regulations and standards for the program are cited by the Uniform Grant Compliance and other related federal legislative correspondence.

## Allowable Costs

### Determinate of allowable costs

All costs charged to the program grant must meet the following requirements: (1) be approved by authorized personnel (director, supervisor, etc.); (2) determined as reasonable; (3) allocable to the program for which the grant was awarded; (4) permitted under the appropriate cost principles prescribed in **Title 2 of the federal regulations, Subtitle A, Part 200**. 5) not restricted or prohibited by the terms and conditions of the grant and (6) be in accordance with generally accepted accounting principles (GAAP).

### Procedures and Prohibited Costs

**All** requests to charge **any cost** to the program must follow all procedures as stated in the HCDE Financial Operating Guidelines. Obtaining proper authorizations and signatures is important to ensure adequate internal controls. Refer to **Title 2 of the federal regulations, Subtitle A, Part 200** for a list of prohibited costs.

Costs should be allocable to the program if they benefit the project either directly or indirectly. Costs are considered direct if they are for a specific activity, program or project. Costs are considered indirect if they are necessary for the operation of the organization, but are not incurred for a specific activity, program or project.

Under no circumstances should any cost be charged to the program if it is not an allowable cost or if the cost has not been approved by the granting agency.

HCDE account code structure emphasizes the use of line-item budgeting that specifically identifies the type of cost that is charged. All programs are required to use that same code structure.

## Expenditure Obligations

### Definition

Only allowable costs associated with the grant period may be charged to the grant award. Funds awarded are available for obligation at any time during the budget period. No funds are to be obligated after the grant ends (meaning after the expiration of the grant funding period or termination of the grant funds).

### When Obligation Occurs

Grant funds may not be used for obligations or expenditures made prior to the beginning date of an initial grant without prior written approval by the granting agency.

**The following types of goods and/or services are considered to be obligated during the availability of funds:**

- Services by an employee are obligated on the date the services are performed.
- Services by a contractor are obligated on the date of a binding written commitment or the date the services are received.
- Accrued vacations are obligated on the date the leave is earned.
- Public utility services are obligated on the date services are received.
- Travel is obligated on the date the travel is taken.
- Acquisition of real property is obligated on the date of a binding written commitment or the date the property is received.
- Rental of real or personal property is obligated when property is used.
- Acquisition of supplies, equipment and other personal property are obligated on the date the goods or services were ordered from the vendor or on the date of a binding written commitment.

### Compliance Requirements

To insure compliance with federal regulations and the policies and procedures addressed in **Title 2 of the federal regulations, Subtitle A, Part 200**, all obligations must be incurred before the end of the project period and must be liquidated within no more than 90 days after the end of the project period. The final SF-425 Federal Financial Report (FFR) should reflect the liquidation of any obligations which remained outstanding at the time the previous report was submitted. Any situation that will delay full liquidation of obligations after the 90-day period must have prior written approval from the granting agency for unobligated balances.

## **Administrative Costs**

### Definition

Administrative costs are those costs related to organization-wide management functions plus the costs of management functions for each individual program within the organization. These costs can be in both the personnel and non-personnel categories. All management functions such as planning; coordination and direction; budgeting, accounting, auditing and management of payroll, personnel, purchasing and property are considered administrative costs.

### Identification

Program administrative cost is currently identified and denoted within the account code structure. It is used as one of the program components in conjunction with the cost center. For example, all cost generated by the Program Director is categorized as administrative cost. The expenditure will be identified in the chart of accounts as 41-610. The “41” represents the function for Administration costs and the “610” represents the cost center for Irvington.

Each program also identifies costs that may be associated with more than one program component and cost center. This cost is called “dual benefit costs”. During the budget process cost is allocated in two distinctive categories: personnel and non-personnel expenditures. Personnel expenditures for program managers, coordinators, center managers and some specialists are allocated based on “dual benefit costs”. Others are either 100% charged to a specific program or to administration. Non-personnel expenditures are allocated 100% based on the program, the location and the cost category. For instance, if a Head Start center is in need of repairs for any area of the facility, that cost will be allocated to a program-wide cost category for facilities and the specified location. For example, under the current account code structure, it will be denoted in the chart of accounts as “51-641”. The “51” represents the function for Facilities Maintenance and Operation, the “641” represents the cost center for a particular Head Start center (in this example, “641” denotes Compton Head Start Center). All Head Start centers will have a budget for personnel and non-personnel expenditures.

### Monitoring

The amount of allowable administrative cost that may be incurred during any given grant period can not exceed 15% of the total annual approved costs of the program, unless a temporary waiver was granted by the granting agency. Periodic calculations should be made to ensure that the maximum administrative cost is not exceeded. Monitoring of administrative cost calculations should be communicated with the Program Director or included in all financial reports whether generated by the accounting system or some form of spreadsheet. All supporting documentation of calculations should accompany.

## **Indirect Cost**

### **Definition**

Indirect Costs are costs incurred by the individual program that are not readily identifiable with a particular project or program but are necessary for the operation and performance of the program. Examples of indirect cost include business services, human resources, purchasing and technology support services, operating and maintaining facilities and depreciation.

### **Indirect Cost Rate Agreement**

HCDE indirect cost rate agreement is established by the Texas Education Agency and is effective for the period July through June of the fiscal year. Each program uses the effective rate for the current grant period. Calculation of indirect cost is obtained with the use of a cash drawdown spreadsheet.

### **Calculation**

The cash drawdown spreadsheet calculates the indirect cost based on the total of all allowable and allocable cost minus any reimbursements and capital outlay. The spreadsheet is designed to keep track and monitor the total cash outlays, the amount of cash received and the total amount of indirect cost recorded.

## Cost Allocation Method

### Method Used

The cost allocation method currently used by each program is practiced as stated:

The total approved budget is divided into two categories: personnel and non-personnel expenditures. The personnel expenditures are further divided into administrative and program cost percentages, where applicable.

Cost allocation rates are determined through a review of all positions that are paid by each grant. On a periodic basis, HCDE and Program Management review the activities and scope of each job to ensure costs are allocated appropriately. **In addition, each program director shall be required to review payroll distributions each month. All payroll distributions shall be approved by the applicable business office staff accountant and the program director.**

Non-personnel expenditures such as postage, facilities maintenance, utilities, etc. are charged depending on the location usage. All education related goods or services will be charged to the education program. The utilities for a particular location will be charged to a program-wide code identifying that particular location.

All efforts are made to ensure that each program component receives equitable funds to carry out its objectives and to run a smooth program. Budgeted line-items may be adjusted periodically, not to exceed the total budget, as needed by the individual programs.



## Cash Management

### Cash Drawdowns

All program obligations are paid on a reimbursement basis. Cash drawdowns are initiated and requested electronically through the Payment Management System. Drawdowns (or other drawdowns as identified by the respective grant) should be requested at least monthly to cover prior expenditures. All efforts should be made to minimize idle cash in the bank. **In addition, each program director will be asked to review drawdowns and approve them.**

### Prohibited Cash Transactions

At no time should program monies be used to cover expenditures for other activities not related to the respective program. All interfund loans are strictly prohibited.

### Settling of Due To and Due From Transactions

The current accounting system automatically generates due to (receivables) and due from (payables) transactions, as necessary. Due To and Due From transactions are settled on a monthly basis.

### Internal Controls

All efforts should be made to ensure that all funds are adequately insured at all times. Bank deposits and collateral coverages are monitored on a daily basis by the Accounting Manager. Bank reconciliations should be done on a monthly basis and should be reviewed and signed by an authorized party.

### Interest Earnings

All bank interest earnings are transferred to the general operating fund.

## Budgeting & Monitoring

### Compliance

To comply with **Title 2 of the federal regulations, Subtitle A, Part 200**, and HCDE board policy, actual expenditures or outlays must be compared with budgeted amounts. Program monthly budget reports are generated and distributed to the program director and HCDE Board of Directors.

### Budget Preparation

The Budget is prepared by the Program Director in conjunction with the Business Office Staff Accountant. The approved Budget is forwarded to the Business Office to be entered into the accounting system by the Staff Accountant.

### Responsible Parties

The Staff Accountant is responsible for monitoring and preparing all budget amendments for the program grant.

Additional financial reports are prepared by the Staff Accountant to further define cost and to monitor spending.

### Authorizations

All forms of payment authorizations requiring the use of program funds and the reduction of the budget require the signature of the Program Director AND the Staff Accountant. This will insure that all goods and/or services are reviewed and determined to be allowable, reasonable and allocable as described in the cost principle guidelines **Title 2 of the federal regulations, Subtitle A, Part 200**.

Although the Program budget is prepared outside the planning and preparation of the overall HCDE budget, all policies and procedures in regard to budget maintenance should adhere to those set forth by HCDE. Refer to HCDE Budget requirements.

## Financial Reporting

HCDE is committed to exercising sound financial and business management practices for all funds, including all grants, to ensure that the organization's overall objectives are met.

### Preparation

All financial reporting must be completed on the appropriate form provided by the granting agency. There are two main reports that are required to be submitted during each grant period.

### Requirements

SF-425 Federal Financial Report (FFR) is used to report the status of the grant funds. This report is required to be submitted within 30 days after the end of the first and last six months of each annual budget period. A final report must be submitted no later than 90 days after the end of each budget period. This report should accompany all documentation used to report the financial status of the grant and should be reconcilable to the accounting records. Additional information required should include (1) all reimbursements by USDA; (2) all cost related to Training & Technical Assistance and (3) all cost related to Disabilities services and (4) all cost related to Administrative costs. The submission of this report is done online at [www.grantsolutions.gov](http://www.grantsolutions.gov).

Federal Financial Report (FFR) is also used to report all cash disbursements of the grant funds.

This report is required to be submitted within 30 days after the end of each quarter (Mar, June, Aug and Dec) during the budget period. The FFR is created online via the internet through the Payment Management System. Once the FFR is created online, the Assistant Superintendent for Business Services logs into the Payment Management System and certifies the report.

### Other Reporting Requirements

Other applicable financial reports prepared monthly and distributed to the Program include:

- (1) Overall Budget/Expense Reports, by all budgeted line items
- (2) Budget/Expense Reports for each location and grant
- (3) Budget/Expense Report for Training & Technical Assistance

All financial reports should be submitted at least one week before the due date if circumstances permit.

## **Contractual & Lease Requirements**

Provisions for entering into contractual or lease agreements with outside parties will be followed according to those policy and procedures of HCDE. Any Head Start funds used to execute any contract or lease agreement must comply with those policies. Refer to HCDE Contracts.

## **Travel Guidelines**

Travel costs for transportation, lodging, subsistence, and related items (materials related to the program) are allowable so long as they are reasonable, necessary and consistent within the guidelines set forth in HCDE Travel Policy and Procedures.

## Records Management

### Compliance

In order to comply with federal regulations **Title 2 of the federal regulations, Subtitle A, Part 200**, all accounting records must be accurate, current and complete in disclosing the financial results of the respective grant program.

### Requirements

All business transactions made with program funds should accompany supporting documentation. A copy of the Notice of Award (NOA) and NOA Amendments for any additional funds, all budget amendments, indirect cost rates, SF-425 FFR reports, records regarding all contracts and leases and documentation of all purchases should be maintained for review by any authorized person(s). Non-federal share matching cost (In kind) should be posted as received and supporting documentation should accompany.

### Records Retention

All financial records (manual or computerized) for all grant programs must be retained for a period of at least **3 years** from the date of submission of the annual financial report. These records must be readily accessible to the granting agency or any other authorized representatives of that agency for review.

## Property Management

### Requirements

All real and personal property and other assets acquired in whole or in part with program grant funds must be accountable and safeguarded with effective internal controls until disposed. As prescribed in **Title 2 of the federal regulations, Subtitle A, Part 200**, real property, equipment, supplies and intangible assets (copyrights, patents, etc) should meet the following requirements:

### Identification Requirements

All property records must include a description of the property, a serial number or other identification number, the source of property, who holds the title, the acquisition date, the cost of the property, the location, percentage of federal cost, the use and condition of the property and the anticipated disposition date.

### Monitoring Inventory

A physical inventory must be taken and reconciled to the ledger at least every two years.

### Insurance Coverage

Adequate insurance coverage must be maintained on all property.

In addition to the above property management requirements, all property acquisitions should follow the guidelines set forth in HCDE Fixed Assets.

## Procurement

### Compliance

In compliance with **Title 2 of the federal regulations, Subtitle A, Part 200**, procurement of all goods, property or services under the respective grant must follow the guidelines set forth in HCDE Purchasing. **The State and local procurement requirements under policies CH Legal and CH Local are more restrictive than the procurement standards under the uniform grant guidance. Thus, all grant program directors and staff are required to follow the CH Legal and CH Local policies.**

However, the following requirements should be incorporated in all purchasing decisions:

- (1) All requisitions should be authorized and signed by an authorized person. The authorized person should make a determination of whether or not the goods or services are allowable, necessary and reasonable cost.
- (2) All authorized purchases should meet the appropriate guidelines set forth in HCDE Purchasing.
- (3) All supporting documentation is attached to the purchase order online.



## **Audit Requirements**

An audit of the HCDE financial transactions, including all grants, will be performed by an independent auditor at least once a year. The audit must be completed and submitted to the Texas Education Agency no later than 150 days after the close of the fiscal year. Refer to HCDE Audit.

In addition to the required independent audit performed annually, an audit of all grant funds will be audited by the granting agency as necessary.

## Appendix Two to Section 200

### APPENDIX II TO PART 200—CONTRACT PROVISIONS FOR NON-FEDERAL ENTITY CONTRACTS UNDER FEDERAL AWARDS

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

(A) Contracts for more than the simplified acquisition threshold currently set at **\$150,000**, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, 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. **All HCDE contracts and request for proposals have a clause with breach contract terms.**

(B) All contracts in excess of **\$10,000** must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement. **All HCDE contracts and request for proposals have a termination clause.**

(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, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “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.” **All HCDE contracts and request for proposals have this clause.**

(D) **Davis-Bacon Act, as amended (40 U.S.C. 3141-3148).** 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 3146-3148) 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 Copeland “Anti-Kickback” Act (40 U.S.C. 3145), 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 subrecipient 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. **All HCDE contracts and request for proposals have this clause.**

(E) **Contract Work Hours and Safety Standards Act** (40 U.S.C. 3701-3708). 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 compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible 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 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 purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. **All HCDE contracts and request for proposals have this clause.**

(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. **All HCDE contracts and request for proposals have this clause.**

(G) **Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended**—Contracts and subgrants of amounts 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. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). **All HCDE contracts and request for proposals have this clause.**


(H) **Debarment and Suspension (Executive Orders 12549 and 12689)**—A contract award (see 2 CFR 180.220) 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 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains 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. **All HCDE contracts and request for proposals have this clause.**

(I) **Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)**—Contractors that apply or bid 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. **All HCDE contracts and request for proposals have this clause.**

(J) See §200.322 Procurement of recovered materials.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75888, Dec. 19, 2014]

===== Revenue Contracts =====					
Contract Types	Grants		Subcontracts	Inter Local Agreement or Fee for Service contract	MOU
	Grant with HCDE as direct recipient	Sub-recipient of another organization's grant	Contract with an agency that received a grant, but DOES not have grant requirements	Contract with an agency to provide services based on division fees schedule	Contract with an agency to provide services at no fee
A Defining Factors	1) Develop or receive contract 2) Receipt of NOGA 3) Must follow government and grant requirements under Circular A-133 (Note: clause included in the contract)	1) Develop or receive contract 2) Receipt of NOGA Equivalent 3) Must follow government and grant requirements under Circular A-133 (Note: clause included in the contract)	1) Develop or receive contract 2) N/A 3) N/A	1) Develop or receive contract 2) N/A 3) N/A	1) Develop or receive MOU 2) N/A 3) N/A
B Contract Processing	1) Contract Processing Form 2) NOGA with statement of work 3) Attachments and assurances and certifications 4) Contract - Grant Agreement 5) Attorney review (if needed)	1) Contract Processing Form 2) NOGA Equiv. with statement of work 3) Attachments and assurances and certifications 4) Contract - Grant Agreement 5) Attorney review (if needed)	1) Contract Processing Form 2) Statement of Work 3) N/A 4) Contract 5) Attorney review (if needed)	1) Contract Processing Form 2) Statement of Work 3) N/A 4) Contract 5) Attorney review (if needed)	1) Contract Processing Form 2) Statement of Work 3) N/A 4) Memorandum of Understanding 5) Attorney review (if needed)
C Board Reporting	1) Agenda item for grant acceptance (Submit through Purchasing Office) Items needed are: a) NOGA b) Attachments and assurances and certifications c) Grant Agreement (Contract) d) Budget Amendment needed if not included in adopted budget e) FTE personnel position approval, if applicable	1) Agenda item for grant acceptance (Submit through Purchasing Office) Items needed are: a) NOGA Equivalent b) Attachments and assurances and certifications c) Grant Agreement (Contract) d) Budget Amendment needed if not included in adopted budget e) FTE personnel position approval if applicable	1) Agenda item for contract acceptance (Submit through Purchasing Office) Items needed are: a) Statement of work b) N/A c) Contract d) Budget Amendment needed if not included in adopted budget e) FTE personnel position approval if applicable	1) Agenda item for contract acceptance (Submit through Purchasing Office) Items needed are: a) Statement of work b) N/A c) Contract d) Budget Amendment needed if not included in adopted budget e) N/A	1) Agenda item for <b>MOU</b> acceptance (Submit through Purchasing Office) Items needed are: a) Statement of work b) N/A c) Memorandum of Understanding d) N/A e) N/A
D General Ledger Account Set up	1) Budget Amendment needed if not included in adopted budget 2) Special Revenue account	1) Budget Amendment needed if not included in adopted budget 2) Special Revenue account	1) Budget Amendment needed if not included in adopted budget 2) Local account	1) Budget Amendment needed if not included in adopted budget 2) Local account	1) N/A 2) No account needed
E Reporting requirements	1) Monthly Drawdowns 2) Monthly operation reports and financial reports 3) Quarterly reports 4) Annual report and close out 5) A-133 Audit	1) Monthly Billing 2) Monthly operation reports and financial reports, as applicable 3) Quarterly reports, as applicable 4) Annual report and close out, as applicable 5) A-133 Audit	1) Monthly Billing 2) Monthly operation reports and financial reports, as applicable 3) Quarterly reports, as applicable 4) Annual report and close out, as applicable 5) N/A	1) Monthly Billing 2) Reports as agreed in contract 3) N/A 4) N/A 5) N/A	1) N/A 2) Reports as agreed in MOU 3) N/A 4) N/A 5) N/A

 <div>Harris County Department of Education</div>	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  DEC (LOCAL)
DATE DEVELOPED: 07/13/15		
REVISED DATE: 07/13/15		
SUBJECT: Grant reimbursement procedures		

### **Purpose**

To provide guidelines on recording of grant reimbursements to the general ledger.

### **Procedure**

The grant drawdowns are prepared by the staff accountant by the 15<sup>th</sup> of the month for the prior month (or earlier if required by the grant) and supported with expenditure reports generated from the pentamation system. If the drawdown is based on expenses incurred, the following entry will be prepared to record the monies received:

Dr Cash	0.00
Cr Revenue	0.00

At year end, receivables are recorded and when the grant reimbursement is received, the following entry will be done to record the monies received:

Dr Cash	0.00
Cr Due from other governments or accounts receivable	0.00

If the grant reimbursement is received and the expenditures have not occurred, the following entry will be done to record the monies received:

Dr Cash	0.00
Cr Deferred	0.00

Once the expenditure has occurred, the following entry will be done:

Dr Deferred	0.00
Cr Revenue	0.00

The grant drawdown spreadsheet and the supporting documentation is emailed to the grant manager or designee for review and approval. The grant manager will sign the certification form and return it to the staff accountant for processing. The Chief Accounting Officer and the Assistant Superintendent for Business Services signature is also required. The staff accountant will maintain the entire executed packet on file for audit purposes.



# State & Federal Grants Manual

---

**2018-2019**

## Contents

General Information .....	4
Business Department Mission .....	4
Business Department Staff .....	4
Organizational Chart .....	5
General Ledger Maintenance(†) .....	5
Journal Entries(†) .....	6
Data Entry and Validation(†) .....	7
General Ledger Transaction (Minimum Data Required) – (†) .....	7
End of Month Process .....	8
End of Fiscal Year Process .....	8
Segregation of Duties(†) .....	9
Retention of Records(†) .....	10
Data System Security & Access to Records(†) .....	10
Assignment of Access and Passwords(†) .....	11
Revoking Access(†) .....	11
Business Staff Training(†) .....	11
State and Federal Grant Management(†) .....	12
900 – State and Federal Programs/Grants(†) .....	16
901    State Programs – Allotments .....	16
902    Federal Grants .....	17
902.1    Grant Application Process .....	18
902.2    General Provisions and Assurances .....	20
902.3    Budgeting Grant Funds .....	21
902.4    Standards for Financial and Program Management .....	22
902.41    Financial Management .....	23
902.42    Internal Controls .....	23
902.43    Bonds .....	24
902.44    Payment .....	24
902.45    Cost sharing or matching funds .....	24
902.46    Program Income .....	25
902.47    Period of performance (Obligations) .....	25



902.5	Procurement Standards/Expenditure of Grant Funds .....	26
902.51	General Procurement Standards .....	26
902.52	Vendor Competition .....	28
902.53	Procurement Methods.....	29
902.6	Property Standards .....	32
902.7	Cost Principles.....	35
902.78	Preparing Expenditure Reports & Draw Down of Funds .....	50
902.8	Grant Compliance Areas .....	53
902.85	Reporting Requirements.....	54
902.86	Grant Monitoring and Accountability .....	55
902.9	Grant Awards .....	56
	List of Grant Awards (including Grant Manager, grant funding source, grant period, and grant amount].....	56

## General Information

HCDE has established fiscal procedures that apply to all financial transactions regardless of the funding source.

**Procedures that relate directly and/or indirectly to federal and state grant compliance are indicated with a (†).** A separate section in this Business Operations Manual will include specific procedures related to acquiring, expending, and managing grant funds.

In accordance with **HCDE Board Policy, BP Local**, the Superintendent and administrative staff shall be responsible for developing and enforcing procedures for the operation of the Department. These procedures shall constitute the administrative regulations of the HCDE and shall consist of guidelines, handbooks, manuals, forms, and any other documents defining standard operating procedures. **The Superintendent** shall approve this State and Federal Grants Manual on an **annual basis**, or as appropriate, if federal, state or local changes in regulations or policy warrant immediate changes. **Administrative regulations [procedures] are subject to Board review but shall not be adopted by the Board.**

## HCDE Mission

The mission is:

Harris County Department of Education supports Harris County by enriching educational opportunities and providing value through services.

Goals:

1. Impact education by responding to the evolving needs of Harris County
2. Deliver value to Harris County by utilizing resources in an ethical, transparent, and fiscally responsible manner
3. Advocate for all learners by using innovative methods to maximize students' potential.
4. Provide cost-savings to school districts by leveraging tax dollars
5. Recruit and maintain a high-quality professional staff

***The Business Division's primary goal is to protect the assets of the and to ensure that all financial transactions are performed in accordance with generally accepted accounting practices and to maximize the use of human and fiscal resources.***

## **Business Department Staff**

The Business Department staff shall perform multiple roles; however, adequate controls of separation of duties shall be maintained at all times. The staff consists of:

- **Jesus J. Amezcua, Ph.D., CPA, RTSBA, Assistant Supt for Business/CFO**
- **Rosa Maria Torres, RTSBA, Chief Accounting Officer**
- **Stephanie Ritchie, Senior Accountant**
- **Yolanda Davis, MBA, RTSBA, Accounting Manager**

- **Marcia Leiva, Staff Accountant**
- **Lynette Adams, Junior Accountant**
- **Jaime Martinez, Business Analyst**
- **Priscilla Hines, Payroll Specialist**
- **Deanna Garcia, Payroll Specialist**
- **Ana Munoz, Accounts Payable Specialist**
- **Desirae Deleon, Accounts Payable Specialist**
- **Brandy Bullock, Accounts Payable Specialist**
- **Shequaia Harris, Accounts Receivable Specialist**
- **Vacant, Senior Accountant Clerk**

All Business Department staff are expected to comply with the:

- **Code of Ethics and Standard Practices for Texas Educators [Board Policy DH (Exhibit),**
- **Board Policy CAA Local regarding fraud,**
- **HCDE Code of Conduct (Employee Handbook),**
- **Confidentiality Agreement,**
- **HCDE Business Office Conflict of Interest Policies, and**
- **HCDE Acceptable Use Guidelines.**

Each staff member shall have an up-to-date job description on file in the Human Resources Department. In addition, each staff member should receive and sign a job description and corresponding evaluation instrument during the annual evaluation process. Changes to job descriptions should be made when substantial changes occur in job duties or responsibilities.

## **Organizational Chart**



## General Ledger Maintenance (†)

General ledger entries shall be made on an on-going basis as needed. End-of-the-month and end-of-the-year entries shall be made on a timely basis. End-of-the-year entries shall be made prior to the audit field work by the department external audit firm.

**Assistant Supt for Business/CFO** shall be responsible for monitoring the general ledger maintenance on a monthly basis. The general ledger shall be reviewed for accuracy in areas such as, but not limited to the following:

- Cash and investment balances equal the respective bank or investment monthly statements
- Aged purchase orders, receivables and payables
- Verify that fund accounts are in balance
- Verify that bank account reconciling items are posted to the general ledger

## Journal Entries (†)

All general ledger entries shall be in balance (debits shall equal credits). **A Journal entry** form shall be used to document all entries. All journal entries shall be numbered for tracking purposes. An auto-numbering system shall be utilized by the department. Accounting Staff shall be authorized to create journal entries and Assistant Supt for Business/CFO shall be authorized to post journal entries to the general ledger.

All payroll general journals shall be interfaced to the finance system by the payroll department. The **Accounting Manager** shall verify that the pre-post payroll general journals and the finance payroll general journals in balance and posted accurately to the general ledger. All payroll general journals must be posted to the finance general ledger no later than the actual pay date.

All changes to the general ledger should be posted within the same month as the changes occurred, if possible, or as soon as practicable. At times, prior to closing the month, additional reconciling journal entries may be posted in accordance with the creation and approval guidelines.

Board Reports and a detailed check payment report for the previous month should be generated and forwarded to the Superintendent for board review. The financial statements and check register shall be provided to the board each month.

All reports should be posted on the HCDE website for audit purposes including, but not limited to, the following:

- Financial Highlights
- Financial Statements (Interim and Annual)
- Disbursement Report: Check Payments & Check Register
- Budget Amendments
- Budget document
- Investment Report
- Tax Report

The **Chief Accounting Officer and appropriate Staff Accountant** shall review a Summary General Ledger on a monthly basis to ensure the accuracy of fund accounting.

### **Data Entry and Validation (†)**

All data entry shall be from the appropriate source document(s). All data entry shall be validated (verified) with the source documents. A system of checks and balance shall be in place to ensure that all postings to the general ledger result in the desired outcome with adequate supporting documentation. For example, a cash receipt journal shall be validated to ensure that the total amount deposit matches the posted cash receipt journal.

Ongoing, daily data entry validation greatly increases the accuracy of the fund accounting and facilitates reconciliation of the monthly bank statements with the general ledger.

### **General Ledger Transaction (Minimum Data Required) – (†)**

All general ledger financial transactions shall require the following minimum data:

- **Date of the general ledger transaction** – the date of the transaction should be within the posting month and within the posting fiscal year.
- **Account code(s)** – the proper account code shall be used for all transactions
- **Journal [transaction] number** – the number assigned should be manually or automatically assigned in a sequential order. A log of the journal numbers utilized each fiscal year should be available in a manual or automated form. Automated, system-generated general ledger entries shall be easily distinguished from manual general ledger entries.
- **The credit and debit amounts**– the total debits must match the total credits
- **Reason for the general ledger transaction** – the reason should explain the reason for the transaction such as cash receipt number, adjustment to budget/expense, etc.
- **Supporting document** – supporting documentation shall be attached to the journal entry form for audit tracking purposes

All general ledger payroll transactions shall require the following minimum data:

- **Check date** – the system-generated general ledger transaction should reflect the check date as part of the journal entry number
- **Account code(s)** – the account codes charged for all payroll disbursements, including liability accounts, should exist in the general ledger prior to posting the system-generated journal entries. [Note: During the payroll posting process, the payroll department must print and verify that all payroll accounts exist on the general ledger. If accounts do not exist on the general ledger, the accounts should be verified for accuracy and if accurate, the list of account codes must be submitted to **Senior Accountant (Alternate Chief Accounting Officer)** to ensure that the appropriate accounts are created in the finance system.

## End of Month Process

Within **30 days** after the end of the month, all end-of-month reports should be printed and verified and the end-of-month process completed. There are **four (4) steps** in completing the End-of-Month process as listed below:

- Reconciliation of all bank accounts
- EOM Activities (Report Generation & Verification)
- Run EOM Reports (archival purposes)
- Process the EOM Close

The Finance EOM Checklist and Procedures should be utilized to ensure that all critical steps are followed during the EOM Process.

## End of Fiscal Year Process

All changes to the general ledger should be posted within the same month as the changes occurred, if possible, or as soon as practicable. Within **90 days** after the fiscal year or as soon as feasible, all end-of-fiscal year reports should be printed and verified for audit purposes.

All end-of-fiscal year adjustments should be posted to the general ledger prior to closing out the fiscal year. Prior to the start of the audit field work, the following adjustments shall be posted to the general ledger:

- **Reconcile all cash and investment accounts** – all cash and investment accounts shall match the corresponding bank or investment general ledger balances as of August 31<sup>st</sup>, as reflected on the respective monthly statement.
- **Reconcile all revenue accounts with amounts received and/or earned as of August 31<sup>st</sup>** – All measurable revenue should be posted to the general ledger. For example, all state aid earned as of the most recent Summary of Finance report from TEA shall be posted to the appropriate state revenue accounts.
- **Reconcile all grant revenue and expenditures** – the revenue and expenditures in every grant program (state and federal) should equal. The excess revenue if any should be reclassified to a payable to the granting agency, unless the excess revenue is an advance payment (deferred revenue). If expenditures exceed revenue, the amount due from the granting agency should be posted to the revenue account and accounts receivable accounts.
- **Reconcile the final amended budget** – verify that all budget amendments (at the department level) have been posted to the general ledger. The sum of the original budget, plus all budget amendments during the fiscal year shall equal the final amended budget.
- **Reconcile and post all accounts receivables** – all funds due from other sources, as of August 31<sup>st</sup>, shall be posted to the general ledger. The receivables shall be measurable and expected to be received within 60 days after the end of the fiscal year in accordance with the department's accounting standards.
- **Reconcile and post all accounts payables** – all payables due to others (vendors especially), as of August 31<sup>st</sup>, shall be posted to the general ledger. The amounts due for all goods and/or services

received as of August 31<sup>st</sup> are classified as accounts payable and paid during the next fiscal year. HCDE has established a September 30<sup>th</sup> cut-off for prior year accounts payables, unless the accounts payable expense exceeds \$10,000 and is known prior to the end of the audit field work. [Note. The accounts payable account (2110) in the prior fiscal year and the next fiscal year must be in balance.]

- **Reconcile all accrued wages and benefits as of August 31<sup>st</sup>** – All accrued wages and benefits shall be posted to the general ledger, especially for all wages earned in August but scheduled to be paid in the next fiscal year (after September 1<sup>st</sup>).
- **Reconcile all prepaid expenses as of August 31<sup>st</sup>** – All prepaid expenses shall be posted to the general ledger to object code 1410. A prepaid expense is typically one that represents a disbursement of funds (payment) for goods or services that will be received or utilized in the next fiscal year. For example, a maintenance agreement that has a term of January 1<sup>st</sup> through December 31<sup>st</sup>, would have an expense for 6 months in the current fiscal and a prepaid expense of 6 months at the end of the fiscal year. [Note. The prepaid expenses should be cleared in the next fiscal year by posting the expense to the appropriate expense account code(s).]
- **Reconcile the fixed assets ledger with all fixed asset additions, deletions, or changes** – All assets (as defined in the Fixed Asset Procedures) acquired during the fiscal year shall be added to the fixed asset ledger (database or Excel spreadsheet). All assets disposed of (sold or lost) shall be removed from the fixed asset ledger. Changes, if any, to the location, value, or category of assets shall be posted to the fixed asset ledger in Fund Code 901.
- **Reconcile the fund balance as of August 31<sup>st</sup>** – All changes, reductions, additions, and/or designations [restricted, committed, assigned, etc.] of fund balance accounts shall be posted to the general ledger. All budgetary fund balance accounts (object code 3700) shall be posted to the appropriate fund balance account (typically object code 3600). [Note. Changes to the budgeted and committed fund balances should be supported by minutes of Board approval. The Superintendent and Assistant Supt for Business Service/CFO are authorized by the Board to assign fund balances.]

## Segregation of Duties (†)

At a minimum, the business office staff shall operate under a segregation of duties, including but not limited to the following:

- **Endorsement of checks** – The same staff member shall not prepare and endorse accounts payable or payroll checks.
- **Bank reconciliations** – The same staff member shall not prepare cash disbursements, cash deposits, or other cash transactions and reconcile the district's bank accounts.
- **Maintain non-cash accounting records** – The same staff member shall not prepare non-cash general ledger transactions and post the transactions to the general ledger.
- **Purchasing and Receiving functions** – The same staff member shall not serve as the final approver of a purchase order and verify receipt of the goods.
- **Contract Management** – The same staff member shall not approve a contract for goods or services and have sole approval authority to disburse the payment for the contracted goods or services.

## Retention of Records (†)

All financial records for the current fiscal year shall be retained for audit purposes in accordance with the HCDE Local Records Retention Schedule. Destruction of records, at the expiration of the records, shall also be in accordance with the department's Local Records Retention Schedule. Note: The Destruction Schedule [list of all records destroyed] is a permanent document. Unless a record that has been destroyed is specifically listed on a Destruction Schedule, it is presumed to still exist.

HCDE shall maintain grant-related records in a combination of paper and electronic formats. The following records shall be maintained in paper format:

- **Budget Amendments**
- **Check payments and support**
- **Personnel Action Forms**

The following records shall be maintained in electronic format:

- **Monthly Financial statements**
- **Financial Operating Guidelines**
- **Annual Budget**
- **Annual Financial Report**
- **Annual Financial Management Report**

In accordance with federal regulations, HCDE shall maintain the grant-related records in an open and machine readable format. Specifically, HCDE shall use the following formats to store electronic data.

- Microsoft products such as Word, Excel, Access, etc.
- Financial Management System, SunGard, HR, Assets, Purchasing, etc. modules

The Records Custodian for the financial records of HCDE is the **Superintendent**. All questions related to the retention, destruction, and/or addition of new record series shall be directed to the department's Records Management Officer (RMO), (**Records Management Director**).

## Data System Security & Access to Records (†)

Business department staff handles and/or processes a substantial amount of confidential information. All staff is strictly prohibited from revealing confidential information to an unauthorized individual. Unless required by Federal, state, and local statute, HCDE is not required to permit public access to their records. HCDE shall make all grant-related records available for access to the federal granting agency and/or pass-through entity upon request.

All business office staff shall sign a Confidentiality Agreement on an annual basis. Among the most critical information is documentation related to employee's Personally-Identifiable Information (PII) such as health, benefits, financial, family members, or other personal information. Violators will be subject to discipline, employment termination, and/or may be reported to the appropriate legal



authorities. Violations of some protected information, such as health or medical information, is also protected by federal laws, such as HIPPA.

Unless notified otherwise by the federal granting agency, HCDE shall retain all financial and program records related to the grant award in accordance with the federal grant. Upon request from the federal granting agency, HCDE shall transfer the records to the requesting federal agency.

The business office staff shall be authorized to access the departments financial and/or payroll system(s) for job-related purposes only. Use of the systems for personal reasons or benefit will result in disciplinary action, up to and including employment termination.

Each staff member shall take appropriate steps to ensure that their respective computer system is managed in a control environment to prevent unauthorized access.

### **Assignment of Access and Passwords (†)**

Access to data systems shall be based on the specific job duties and responsibilities of each staff member. Except for limited exceptions, staff will not be given unilateral access to all modules in the financial and payroll system. For example, a payroll staff member will not have access to the human resources system unless the access is limited in scope and “read-only”. These restrictions to unilateral access are designed to prevent complete autonomy which could lead to fraud.

Each staff member shall be responsible for securing their assigned (selected) password. At no time shall passwords be shared with others or posted in visible locations within the staff member’s work space. Violators of this restriction shall be subject to disciplinary action, including but not limited to employment termination.

Data system access to the authorized modules, shall be determined by the **Assistant Supt for Business/CFO (alternate: Chief Accounting Officer)**. Each staff member shall have access to their respective database(s) and tabs within a database based on their position. Security roles will be established and assigned with the specific access to each module. In the event that a staff member gains access, due to human or software error, that he/she is not entitled to, it is the responsibility and duty of the staff member to notify the Security Administrator, or IT Coordinator, regarding the ability to access the restricted database or module(s).

### **Revoking Access (†)**

Access to data systems are subject to change and/or revocation when changes occur to a staff member’s position, duties or responsibilities. Access to data systems are also subject to revocation when a staff member violations the Responsible Use Guidelines. Each staff member shall sign a Responsible Use Guidelines every fiscal year.

### **Business Staff Training (†)**

Every staff member will be scheduled to attend at least **one** training and/or conference opportunity per year.

An annual training calendar shall be developed that may include, but is not limited to, topics in the following areas:

- **Account coding**
- **Payroll and Human Resources Compliance Issues**
- **GASB**
- **Audit requirements**
- **Legal changes, such as Purchasing**
- **State and Federal Grants Management**
- **Data system (software)**
- **Travel Guidelines**

Additional training requests should be submitted to the **Department Director**. It is the employee's responsibility to request additional training that he/she feels will be beneficial in performing the assigned job tasks. At times, the immediate supervisor may also recommend or direct that a staff member attend specific training to improve their skills or comply with a Growth Plan.

In an effort to support compliance of fiscal policies and procedures, the business office shall conduct annual training for department administrative and support staff, as appropriate. **Assistant Supt for Business/CFO** shall be responsible for developing the training calendar. Critical training areas shall include, but not be limited to:

- **Accounting Management**
- **Budget Development Process**
- **Cash Management**
- **State and Federal Grants Management**

## **State and Federal Grant Management (†)**

The Office for Grants and Fiscal Compliance (GFC) at Texas Education Agency is responsible for managing all discretionary and formula grants, ensuring the agency's compliance with federal grant requirements, and conducting audits and reviews of all local educational agencies (LEAs). The department houses the following divisions:

- **Division of Grants Administration**  
(formerly the Division of Discretionary Grants and the Division of Formula Funding)
- **Division of Federal Program Compliance**  
(formerly the Fiscal Accountability and Federal Reporting Unit)
- **Division of Financial Compliance**  
(formerly housed in the Office for Accreditation)

Compliance with all federal and state grant requirements is essential to ensure that all granted funds remain with the department. Failure to comply with grant requirements may result in denial of reimbursement requests and/or requests from the granting agency to return a portion or in some cases all grant funds.

## Federal Regulations for Federal Grant Awards

All federal grant funds are subject to the compliance with Administrative (EDGAR) and Programmatic (NSLP, IDEA, etc.) regulations for each federal grant award. Title 34, Code of Federal Regulations (CFR), Parts 75-79, 81 to 86 and 97-99 EDGAR is currently in transition. For awards made prior to 12/26/2014, EDGAR Parts 74 and 80 still apply. For awards made on or after 12/26/2014, 2 CFR Part 200, which includes the substance formerly in parts 74 and 80, applies. For state-administered federal grants, TEA shall notify HCDE on the Notice of Grant Award (NOGA) of the applicable administrative regulations. The State and Federal Grants Addendum contains guidance for pre-December 26, 2014 federal grant awards. The date of the award to HCDE (or pass-through entity such as TEA) shall determine the appropriate regulations.

When the department's local policies and/or procedures conflict with the federal regulations, HCDE shall comply with the more restrictive regulations, shall be adhered to in all aspects of federal and state grants management.

Overview of the Education Department General Administrative Regulations (EDGAR). The EDGAR, as amended on December 26, 2014, includes five (5) subparts under 2 CFR Part 200 of EDGAR as noted below:

- Subpart A – Acronyms and Definitions
- Subpart B – General Provisions
- Subpart C – Pre-award Requirements
- Subpart D – Post-award Requirements
- Subpart E – Cost Principles
- Subpart F – Audit Requirements
- Appendices – I through XI

The EDGAR in its entirety can be accessed at:

<http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>.

To ensure consistency with the EDGAR, HCDE shall utilize the acronyms and definitions included in the EDGAR for general terms related to the management of federal grant funds. The EDGAR Acronyms and Definitions can be found in CFR 200.0 through 200.99.

Programmatic regulations for each of the department's federal grant awards are hyperlinked in the List of Grant Awards for easy access to the Fiscal Guidelines, Allowable Costs, and/or other programmatic regulations.

At HCDE, managing State and Federal Grants shall be a collaborative process between the [Finance \(Accounting, Budgeting, Purchasing, Payroll, etc.\), Human Resources and Grant Management Departments](#). Each respective department shall be responsible for their duties and responsibilities as they relate to the management of state and/or federal grants. The duties of each department are listed below in general terms. Additional, specific duties and responsibilities may be listed within an area of compliance within this Manual.

#### Business Office

- Assisting the Grant Manager with budgeting grants funds. Preparing and posting the initial budget and all amendments to the general ledger.
- Assisting the Human Resources department with determining the payroll distribution code(s) for all grant-funded staff.
- Preparing all grant-related financial reports (monthly, quarterly and/or annual).
- Preparing all financial records for the annual financial audit and single audit, as appropriate.
- Ensuring compliance with the FASRG in coding all payroll and non-payroll expenditures as applicable.
- Adjusting the general ledger, as appropriate, after the Grant Manager's reconciliation of the time and effort reports, as appropriate if adjustments are necessary
- Managing the day-to-day cash needs for grant expenditures and drawing-down cash reimbursements, as appropriate
- Managing all purchasing and contractual commitments in compliance with the grant periods and allowable cost principles
- Retaining all financial records for the required length of time (5 years) for audit purposes
- Managing all fixed assets and ensuring compliance with the inventory and disposition federal guidelines

#### Human Resources Department

- Assisting the Grant Manager with the recruitment and hiring of all grant-funded staff
- Ensuring that all grant-funded staff meet the Highly Qualified Staff federal guidelines, as appropriate (And, all state certification requirements)
- Ensuring that all grant-funded staff have a job description with the grant-related duties and funding. (And, that all grant-funded staff sign a job description on an annual basis)
- Preparing the Highly Qualified Staff Annual Report and conducting the required public notice or hearing, as appropriate

- Maintaining audit-ready HR employee files for financial audit or single audit purposes, as appropriate
- Developing and maintaining all salary schedules to ensure consistency between local and non-local pay rates (Includes base salaries, stipends and extra-duty rates of pay)
- Assisting the Grant Manager with determining the position title, Role ID and other salary information for use in completing the grant application
- Retaining all personnel records for the required length of time (5 years) for audit purposes

#### Grant Management or Special Program Department

- Working cooperatively with the administrative staff to ensure that all grant activities are collaboratively planned and appropriate to each department.
- Providing supporting documentation for budgeted grants funds. And, submitting all grant amendments to the finance department to facilitate budget amendments.
- Assisting the Human Resources department with determining the payroll distribution code(s) for all grant-funded staff.
- Preparing all grant-related programmatic (evaluation) reports (monthly, quarterly and/or annual).
- Ensuring compliance with the FASRG in coding all payroll and non-payroll expenditures as applicable.
- Receiving and monitoring the time and effort reports, as appropriate, and submitting adjustments, if any, to the finance department
- Monitoring the spending thresholds throughout the grant period to ensure that the grant activities are being conducted systematically throughout the grant period
- Reviewing and approving all purchasing and contractual commitments in compliance with the grant periods and allowable cost principles
- Retaining all grant records for the required length of time (5 years) for audit purposes
- Providing information to the Human Resources department regarding the number and type of grant-funded positions approved in the grant application by the granting authority
- Verifying with the HR department that all grant-funded staff meet the Highly Qualified Staff federal guidelines, as appropriate (And, all state certification requirements)
- Verifying with the HR department that all grant-funded staff have a job description with the grant-related duties and funding. (And, that all grant-funded staff sign a job description on an annual basis)
- Verifying with the HR department that the Highly Qualified Staff Annual Report and conducting the required public notice or hearing, as appropriate
- Assisting the HR department with determining the position title, Role ID and other salary information for use in completing the grant application

All departments shall provide staff training for their respective staff and other staff, as appropriate, regarding the grant management duties and responsibilities for each staff member.

## 900 – State and Federal Programs/Grants (†)

### 901 State Programs – Allotments

HCDE also receives some state funds through the Texas Education Agency. Funding includes revenues from foundation fund for health insurance allotment. These funds are used to provide part of the health insurance to employees. Other state funds include the TRS on behalf payments for being a member of the TRS system.

State funds received also derived as follows:

- **Adult Ed funds – HCDE has a contract with HGAC as subcontractor and some of the funds used are state funds such as**

The Business Office, specifically the **Assistant Supt for Business/CFO**, shall be responsible for the financial compliance in each of these special programs. Financial compliance shall include, but not limited to: assist the grant manager with budgeting development, budget monitoring, approval of expenditures, financial reporting to TEA or granting agency, and financial audit.

At the beginning of each fiscal year, the **salaries of all staff** should be determined based on their position and assignment. Specifically, we need to know the following:

- |                                 |  |
|---------------------------------|--|
| ▪ What the employee will do?    | Determines the function code                           |
| ▪ Where the employee will work? | Determines the organization code (may be split)        |
| ▪ Who will benefit?             | Determines the population served or PIC (may be split) |

Determining the correct payroll account distribution code(s) is critical to ensure that all payroll costs are expensed in the correct account code(s). This is extremely important for staff assigned on a partial or full-time basis to support a special program. Only the payroll costs for services whose intent is to serve one or more special program may be charged to the special program.

The **Grant Manager** will review all expenditures and determine that all costs are allowed and within the grant requirements.

## 902 Federal Grants

Acronyms and definitions related to federal grant management are listed in the EDGAR, Subpart A, 200.1 through 200.99 and may be accessed at: <http://www.ecfr.gov/cgi-bin/text-idx?SID=bce3e6e14adb00a7863cc39935f3e35e&node=sg2.1.200.a.sg0&rgn=div7>

These acronyms and definitions are used throughout this manual. One of the most critical definitions is that of a “non-federal entity”. When this definition is used it refers to the “department”, as a recipient of a federal grant award.

### **General Provisions:**

HCDE shall comply with all General Provisions of EDGAR (Subpart B). Specific areas of compliance are noted below:

1. HCDE has established a conflict of interest policy for all federal grant awards and shall disclose in writing any potential conflict of interest to the granting agency. The administrative conflict of interest questionnaire shall be utilized for compliance with this provision. The Conflicts of Interest Disclosure Statement shall be completed by all HCDE staff involved in federal grant awards: **Superintendent, Assistant Supt for Business/CFO, Human Resources, Grant Manager, and Supervisors authorizing transactions**. Conflicts of interest, if any are reported, shall be posted on the HCDE’s website and reported to the granting agency. The **Assistant Supt for Business/CFO** shall be responsible for overseeing and collecting the conflict of interest questionnaires.
2. HCDE shall comply with all additional conflict of interest requirements required by the federal granting agency and/or the pass-through entity (TEA).
3. HCDE shall disclose in writing to the granting agency and/or pass-through entities any violations of federal criminal law including fraud, bribery or gratuity violations affecting a federal grant award. Upon detection of any fraud, abuse or waste with federal grant funds, HCDE shall promptly notify the proper legal authorities and pursue appropriate criminal and/or civil actions. In addition, HCDE shall report to the granting agency and pass-through entity, the extent of the fraud or violations. In addition, HCDE shall reclassify fraudulent expenditures made with federal grant awards to local HCDE funds, i.e. the General Fund. The **Assistant Supt for Business/CFO** shall be responsible for overseeing, reporting and documenting any fraud, abuse or waste of federal grant funds.

**All HCDE employees are prohibited** from soliciting gifts or tokens from vendors or other parties who are affected by (or have an interest in) a federal grant award. **CH Local policy has been changed to implement this requirement.**

In addition, **all HCDE employees are prohibited** from accepting unsolicited gifts or tokens from vendors or other parties who are affected by (or have an interest in) a federal grant award that exceed an

nominal (individual) value of **\$50.00** Current Conflict of Interest limit in a fiscal year. **The unsolicited gifts or tokens may not include the** following:

- Items prohibited at a public elementary and secondary schools such as drugs, tobacco or alcohol products
- Any weapons or illegal items
- Any items from an illicit business

HCDE employees who violate this administrative directive shall be subject to disciplinary action, up to and including termination of employment with the department. Violations that exceed the federal Conflict of Interest thresholds shall be reported to the federal granting agency and/or pass-through entity by the **Superintendent**.

#### **Pre-Federal Award Requirements:**

The federal awarding agency and pass-through entities are required to evaluate the risk of **HCDE** in respect to financial stability, quality of management system, history of performance (grants), audit reports and ability to effectively implement the grant program.

**HCDE** shall implement strategies as noted below to ensure that its risk level for federal grants management is determined to be “low”:

1. Timely submission of all required programmatic and financial reports
2. Complying with the federal grant award fiscal guidelines and allowable cost principles
3. Ensuring that all grant-related staff are properly trained in their respective grants management role on at least an annual basis.
4. Implementing grant management procedures and internal controls

If **HCDE** is determined to be a “high risk” department, it shall comply with all of the additional requirements as imposed by the federal granting agency and/or pass-through entity. In addition, **HCDE** shall develop and implement strategies to correct the identified deficiencies in an effort to move to a “low risk” entity status.

No pre-award expenses shall be made by HCDE prior to the approval of the federal granting agency or pass-through entity. Non-authorized pre-award expenses, if any, shall be paid from **local HCDE funds, i.e. the General Fund**.

### **902.1 Grant Application Process**

HCDE may be eligible to apply for “entitlement” or “competitive” federal grant funds.

Federal entitlement grant funds include, but are not limited to, Head Start Funds, Adult Ed Grants,

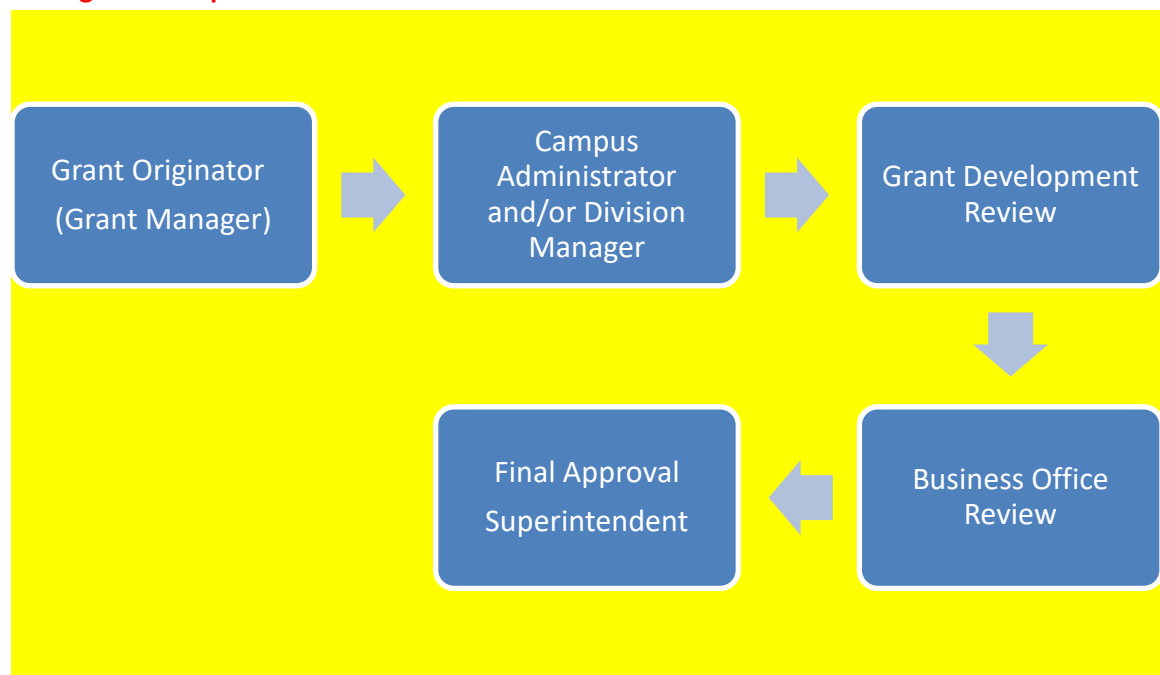


After School Program- 21 century grants and other federal grants. The “maximum” and/or “final” entitlement awards for HCDE are posted on the granting agency site or are maintained on the HCDE Portal. The appropriate grant manager shall obtain the grant available amounts and begin the grant development process with the appropriate stakeholders.

A list of competitive grants administered by the granting agency are also posted on the granting entity’s website. Grant managers will work with the resource development division to obtain the competitive grant information to determine whether the grant(s) is appropriate for HCDE. Some competitive grants may have matching-funds and/or in-kind payment requirements which may place a burden on the HCDE’s available financial resources.

**All HCDE staff involved in the management of federal grant awards shall be aware of these resources.**

HCDE’s grant application process for federal grants is illustrated below on a flowchart. As noted on the flowchart, all grant applications must be reviewed by the **business office, grant manager and grants management department**.



The final approval of a grant application shall be the Superintendent.

The **Grants Manager** shall work collaboratively with business office to ensure that all grant budget schedules are completed using the correct account code structure (as appropriate); the departments purchasing, travel and other procedures; and are adequately documented if prior approval is required by the granting agency or pass-through entity (TEA).

The **Grants Manager** shall obtain pre-approval for the following activities which have been identified by the granting agency or pass-through entity (TEA);

- Student field trips

- Hosting conferences
- Out-of-state travel

Grants that require matching or in-kind HCDE contributions shall be evaluated for overall impact on the current and future department's local funds.

No federal grant funds shall be budgeted, encumbered, or spent until either of the following has occurred:

- grant has been approved by the granting agency and a Notice of Grant Award (NOGA) has been issued to the department; or
- the entitlement grant has been received by HCDE and the grant application has been submitted to TEA

[NOTE: TEA allows federal grant expenditures from the grant application "stamp-in date"; however, expenditures that require TEA's specific approval and not approved until the NOGA is issued.]

The business office shall notify the grants management department or grant manager when the funds have been budgeted and are ready for expenditure by the appropriate division.

## **902.2 General Provisions and Assurances**

General Provisions and Assurances apply to all grants administered by TEA. Additional provisions and assurances may apply to specific grants. The **grants management department** shall inform all staff involved in the expenditure of grant funds of the provisions and assurances for each grant program, as appropriate.

### **902.21 Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion**

HCDE must not award a contract to a vendor which is debarred or suspended or is otherwise excluded from or ineligible for participation in federal grant award programs.

The **business office /purchasing** shall verify the eligibility of each vendor with this certification requirement by requesting that the vendor execute a Certification Form before awarding a contract and/or issuing a purchase order. A copy of the Certification Form shall be maintained with the contract and/or purchase order for audit purposes.

The **business office /purchasing** shall monitor ongoing contracts to verify the contractor's compliance with the debarment, suspension, ineligibility and voluntary exclusion provisions. In the event that a vendor is suspended or debarred during a contract, HCDE shall continue the contract in force until the contract lapses. The contract term shall not include any extensions to the original term of the contract.

## 902.22 Lobbying Certification

For all federal grants in **excess of \$100,000**, HCDE shall certify on the grant application that no federal grant funds are expended for the purpose of lobbying. The **grants management and business office** shall jointly execute a Lobbying Certification Form [Standard Form – LLL: Disclosure of Lobbying Activities], as applicable, if HCDE used funds other than federal grant funds for lobbying activities.

The **Assistant Supt for Business/CFO and Purchasing Director** shall ensure that all **contract award documents** with federal grant funds contain the appropriate lobbying certification language.

## 902.3 Budgeting Grant Funds

The **business office** shall budget grant funds in the appropriate fund code as authorized by Financial Accountability System Resource Guide, or the granting agency, as appropriate. In addition, the object expenditure codes noted on the grant application shall be consistent with the budgeted account codes.

Federal grant funds shall be budgeted and available for use no later **than 30 days**/after receipt of the NOGA or from the stamp-in date except where there is no board meeting held.

For example, if the grant application included \$2,000 for “6219 Professional Services”, the budget shall include an appropriation for Professional Services in object code 6219. However, if the intent was to expend funds to pay a Math Consultant, the grant application may need to be amended to move the “6219 Professional Services” funds to the correct object code “6299 Other Professional Services”. All expenditures shall be made from the correct FASRG object code.

**Budget amendments, if any, shall be approved by the grants management department, or grant manager assigned,** to ensure that the reclassification of funds is allowable under the grant management guidelines related to budget amendments. Some grants allow a transfer of funds, up to 25% of the grant award, but only within the same object class and if the new object code does not require specific approval from the granting agency.

The TEA Grants Division has developed guidance related to “When to Amend” grants administered by the TEA. The guidance document is posted on the TEA website at:  
[http://tea.texas.gov/Finance\\_and\\_Grants/Administering\\_a\\_Grant.aspx](http://tea.texas.gov/Finance_and_Grants/Administering_a_Grant.aspx).

The guidance document contains the following guidance:

1. Use Table 1 for federally funded grants and for grants funded from both federal and state sources.
2. Use Table 2 for state-funded grants. Refer to the “Select Grantees” column if the NOGA is for over \$1 million.

In addition to TEA’s guidelines, federal regulations require that HCDE amend the grant application when we deviate from the original scope or grant objectives. Other amendments may be necessary when

HCDE changes the designated Grant Manager, disengages from grant activities for more than three (3) months, or a 25% reduction in the time devoted by a grant manager.

**The Grant Manager** shall monitor the need for amendments at least quarterly throughout the grant period and at least one (1) month prior to the grant amendment deadline, if applicable. If an amendment is necessary for any of the reasons specified by the pass-through entity (TEA) or in federal regulations, the Grant Manager shall initiate the amendment process and collaborate with the finance department prior to submission of the grant amendment. The **approval process of a grant amendment** shall be the same as the grant application process, i.e. the Superintendent shall approve all federal grant amendments.

The **Assistant Supt for Business/CFO** and the **Grant Manager** shall be responsible for ensuring that the finance system budget corresponds to the most recent grant NOGA.

## **902.4 Standards for Financial and Program Management**

HCDE must comply with all requirements of federal grant awards including the provisions of the Federal Funding Accountability and Transparency Act (FFATA) and the Financial Assistance Use of Universal Identifier and Central Contractor Registration (CCR).

### FFATA Reporting

HCDE shall report the following for all federal grant awards, as appropriate. The **Assistant Supt for Business/CFO** shall be responsible for collecting and reporting the information.

1. The following data about sub-awards greater than **\$25,000**
  - a. Name of entity receiving award [entity = district]
  - b. Amount of award
  - c. Funding agency
  - d. NAICS code for contracts / CFDA program number for grants
  - e. Program source
  - f. Award title descriptive of the purpose of the funding action
  - g. Location of the entity (including congressional district)
  - h. Place of performance (including congressional district)
  - i. Unique identifier of the entity and its parent; and
  - j. Total compensation and names of top five executives (same thresholds as for primes)
2. The Total Compensation and Names of the top five executives if:
  - a. More than 80% of annual gross revenues from the federal government, and those revenues are greater than **\$25M annually** and
  - b. Compensation information is not already available through reporting to the SEC.

## 902.41 Financial Management

HCDE financial management system, **SunGard System**, shall be utilized to expend and track all federal grant expenditures. The financial management system shall be maintained in a manner that provides adequate internal controls over the data integrity, security and accuracy of the financial data.

The financial management system must contain information pertaining to all federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation. **All expenditures of federal grant funds** shall be in accordance with the department's written procedures such as cash management, accounts payable, purchasing, travel, allowable costs, capital asset tracking, contract management, and other procedures, as appropriate.

### Records Retention

The financial management system shall be utilized to store, maintain, and report all required federal grant information. Consequently, HCDE shall ensure that access to the data is restricted to authorized individuals in accordance with the department's Data Security and Access policies. In addition, HCDE shall retain all federal grant records for a period of **five (5) years** in accordance with the district's Local Records Retention Plan. [Note: HCDE's retention period exceeds the three (3) year retention period required in the EDGAR.] The department's Record Management Officer (RMO), **Superintendent**, shall be responsible to ensure that all records are retained, stored and accessible, as appropriate.

### List of Federal Grant Awards

A list of all federal grant awards shall be maintained to include all EDGAR required data (denoted with an \*) and district-required information listed below: [List of all federal grant awards with the required identification information is included in the Exhibit Section]

- The CFDA title and number\*,
- Federal award identification number and year\*,
- Name of the Federal agency\*, and
- Name of the pass-through entity\*, if any.
- Grant manager for each grant
- Subgrants, if any
- TEA-assigned risk level for each grant, as appropriate

On at least a monthly basis, the **Assistant Supt for Business/CFO and the Chief Accounting Officer** shall review the status of each federal grant fund. The review shall include a comparison of budget to expenditures. The Grant Manager will be provided with monthly financial statements.

## 902.42 Internal Controls

HCDE's internal control procedures over financial management, developed in accordance with the Internal Control Integrated Framework (COSO), shall be made available to all staff involved in the management of federal grant funds. The internal control procedures shall be reviewed on at least an annual basis and updated as appropriate. If any weakness in an internal control is detected, the internal

control procedures shall be revised to incorporate the weakness (es) at either the annual review or as the need arises dependent upon the severity (materiality) of the weakness.

A copy of HCDE's Internal Control Procedures is embedded with this manual and available from the business department. The **Assistant Supt for Business/CFO** shall be responsible for the annual review and update of the Internal Control Procedures.

### **902.43 Bonds**

If the granting agency requires that HCDE obtain bonding and/or insurance for a specific project, HCDE shall ensure that the bonds are obtained from a company that holds a certificate of authority as specific in 31 CFR Part 223, Surety Companies Doing Business with the United States. **Assistant Supt for Business/CFO** shall be responsible for obtaining insurance and/or bonding, as appropriate.

### **902.44 Payment**

Payments to vendors shall be made promptly in accordance with federal regulations and state law. Specifically, in accordance with the Texas Prompt Payment Act, HCDE shall pay all invoices within 30 days of receipt of the goods/services and the invoice, whichever is later.

In the event that HCDE receives an advance payment from a federal granting agency, HCDE shall ensure that it expends the advanced funds in a timely manner. Excess funds may earn interest, which may require return to the federal granting agency if the interest meets the federal threshold.

**HCDE has determined that it will not accept advanced payments for federal grant funds.**

**HCDE shall seek reimbursement for federal grant expenditures, rather than using an advanced payment method.** Consequently, HCDE shall prepare and submit a "draw-down" of federal grant funds only after the payments have been made and distributed to the vendor via mail, e-payables or other delivery method. The draw-down of expended funds shall be net of all rebates, refunds, contract settlements, audit recoveries and interest earned, as appropriate. The **Grant Accountant** shall be responsible for preparing the draw-down of federal grant funds. All draw-downs shall be posted to the general ledger upon receipt of money. At year, drawdown amounts received after year end shall be accrued as a receivable.

### **902.45 Cost sharing or matching funds**

The **Grant Manager** over each federal grant award shall ensure that requirements for cost sharing and/or matching funds are approved through the grant approval process prior to the submission of the grant. At a minimum, the **Grant Manager and the Assistant Supt for Business/CFO** must approve the commitment of all cost sharing and matching grant funds.

If cost sharing or matching funds are required as part of a federal grant award, the required direct or in-kind expenditures should be recorded and tracked on the general ledger. If matching grant funds are required in the General Fund (Fund 199), HCDE shall utilize a **sub-object** to separately track the expenditures for reporting and compliance purposes.

**All staff paid with cost sharing and matching funds, shall be subject to the Time and Effort Documentation requirements.**

Cost sharing and matching funds that are as a result of donated services or supplies, shall be recorded and tracked in accordance with the federal regulations (CFR 200.306).

## **902.46 Program Income**

**HCDE will not generate any program income as part of a federal grant award.**

Federal regulations (CFR 200.307) allow HCDE to generate program income to offset federal grant award costs. Income earned, if any, must be expended in accordance with the grant requirements. All recommendations for program income activities shall be reviewed and approved by the Grant Manager.

If program income activities are approved, the **Grant Manager** over the activities shall ensure that the costs of generating the program income are not federal grant funds, are nominal in cost, are offset from the program income and meet all of the federal requirements.

**HCDE will not retain any program income earned through a federal grant program.**

## **902.47 Period of performance (Obligations)**

All allowable grant expenditures shall be incurred during the grant period, i.e. begin date and end date of the federal grant award as designated on the Notice of Grant Award (NOGA). The Grant Manager shall notify the appropriate departments, such as **Purchasing, Human Resources, Business, Payroll, etc.** of the grant periods for each federal grant award to ensure compliance as noted below:

- No employee shall be hired and paid from federal grant funds except **during** the federal grant period
- No purchase obligation shall be made from federal grant funds except **during** the federal grant period
- No payroll or non-payroll expenditures shall be made from federal grant funds except **during** the federal grant period.

All obligations with federal grant funds must occur during the grant period. Obligations that occur before or after the grant period are not allowable costs. The obligations must be liquidated in accordance with the grant deadlines, especially as they relate to the final draw-down of federal grant funds. Guidance regarding the obligation of federal grants funds can be found in TEA's General and Fiscal Guidelines.

The **Grant Manager** shall monitor the expenditures during the grant period to ensure that the funds are spent in a systematic and timely manner to accomplish the grant purpose and activities. **The following timeline shall be used as a general guide for spending thresholds for a grant period of 15 months.** The optimal spending thresholds noted below may be adjusted based on programmatic needs. For example,

if the federal grant will be used for summer activities such as summer school, a larger percentage of the grant may need to be withheld for those specific activities.

- Within 3 months of the grant start date 25%
- Within 6 months of the grant start date 50%
- Within 9 months of the grant start date 75%
- Within 12 months of the grant start date 100%

## **902.5 Procurement Standards/Expenditure of Grant Funds**

Expenditures of grant funds shall be through the **Business Office (purchasing, business, accounts payable or payroll)** processes in place for non-grant funds, but shall have additional requirements as noted below to ensure full compliance with federal cost principles.

### **902.51 General Procurement Standards**

**HCDE shall comply with the general procurement requirement of the EDGAR (2 CFR 200).**

HCDE shall utilize a purchase order and encumbrance system to manage the expenditure of all federal grant funds unless other methods such as credit cards, petty cash, direct payments, etc. are authorized in HCDE's operating procedures. All purchases shall be in accordance with HCDE's Board Policies (CH Legal and Local) and HCDE's **Purchasing Procedures (Exhibit Section)**. **The HCDE purchasing procedures shall comply with all federal, state and local procurement requirements.**

The **Assistant Supt for Business/CFO** shall be responsible for ensuring compliance with all federal, state and local procurement requirements and for ensuring that HCDE maintains an up-to-date procurement history to include, but not limited to, the information below:

- List of all procurements by type
- Advertisement date(s) of the procurement
- Release date of the procurement specifications
- Selection criteria for vendors
- Opening date of the procurement
- List of vendors submitting a proposal/bid
- Selection of Vendor
- Date of contract award
- Begin date of contract
- End date of contract

The procurement history records and other procurement records shall be retained in accordance with the federal, state and/or local retention periods, whichever is greater. The procurement records shall be made available to the federal granting agency, pass-through entity (TEA), and auditors, as appropriate.



## Purchasing Efficiency Strategies

All purchases with federal grant purchases shall be in accordance with the federal regulations, specifically CFR 200.318. All purchases shall be purchased from a variety of qualified vendors with the ability to perform successfully under the terms and conditions of a proposed procurement. HCDE shall strive to avoid acquisition of unnecessary or duplicative items. **HCDE shall implement the following strategies to maximize federal grant funds:**

- Consolidation of purchases to obtain volume pricing, as appropriate
- Evaluate the cost efficiencies of leases versus purchases of equipment
- Utilize cooperative purchasing agreements, as appropriate, to obtain volume pricing
- Utilize federal or state excess/surplus property supplies or equipment in lieu of purchasing new supplies or equipment, as appropriate
- Utilizing value-engineering in construction projects to seek cost reductions
- Develop vendor selection criteria to select the best vendor
- Develop a tracking system of all informal and formal procurements
- Avoid “time and materials” contracts if other alternatives exist
- Monitor vendor performance to ensure that the vendor provides the services and/or goods, as appropriate
- Ensure that all contract and vendor disputes are resolved in the most advantageous manner
- Minimize the risk of jurisdictional issues by ensuring that all contracts would be litigated in a court within the county, city and/or state, as appropriate

HCDE shall complete a review of the procurement system on an **annual basis** to self-certify that the procurement system is efficient and effective. The **Assistant Supt for Business/CFO and the Purchasing Director** shall oversee the completion of the self-certification. The results of the certification shall be distributed to all grant management staff. If deficiencies are noted, the **Assistant Supt for Business/CFO** shall develop a Corrective Action Plan to remedy the deficiencies, as appropriate.

## Conflict of Interest

**The Superintendent** shall execute an Organizational Conflict of Interest document to disclose if any conflicts exist in the application, receipt of, or expenditure of federal grant funds.

The **Grant Manager, Assistant Supt for Business/CFO, and grant employees** shall each execute a Conflict of Interest Form to disclose a conflict of interest, as appropriate, related to the awarding of a contract or substantial expenditures with federal grant funds. Substantial expenditures shall be defined as a purchase in excess of **\$100**. **No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. In addition, no employee, officer or agent of HCDE may neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to subcontractors. All employees shall comply with the Educators’ Code of Ethics (DH Exhibit).**

**Violators of the Code of Ethics shall be subject to disciplinary action, including but not limited to, termination of employment with the department.**

## **902.52 Vendor Competition**

The **Business Office /purchasing department** shall be responsible for selecting and awarding contracts to vendors that are qualified to provide the goods and/or services to be purchased with federal grant funds. The vendor selection process shall ensure that HCDE does not restrict competition among qualified vendors.

### Vendor Selection Criteria

HCDE has selected vendor qualification criteria that includes, but is not limited to, the following:

- Past experience with the district
- Cost of goods and services, including future costs of maintenance
- Vendor's financial stability and position as it relates to the ability to provide the goods and/or services
- Small, minority, woman-owned, or labor surplus area firms
- Other criteria under CH legal.

HCDE shall not restrict vendor competition by requiring any of the following as selection criteria:

- Unreasonable requirements, such as excessive experience or bonding, brand name products or geographic preferences that would unduly restrict competition among qualified vendors
- Arbitrary restrictions that are not essential to the bid/proposal specifications

A vendor database shall be maintained by the **Purchasing Department**. The department's **Adding/Renewing Vendors Procedures** shall be adhered to for all purchases. Vendor selection shall include the following criteria:

- **Has not been debarred or suspended from contracting under federal grants**
- **Has completed the vendor packet**
- **Does not have a conflict of interest**
- **Does not have a history of deficient performance or illegal activity**

All vendors shall complete the appropriate vendor forms as required by federal or state regulations and the department. HCDE requires that every vendor have the following documents on file:

- Vendor application file (new vendors)
- Form W-9
- Conflict of Interest Questionnaire
- Felony Conviction Notice
- Fingerprinting (If working directly with students)
- SB9 Form

- Vendor provisions form for (EDGAR)

HCDE shall develop written bid/proposal specifications that are provided to every qualified vendor to ensure consistency in the procurement process. At no time shall HCDE allow a specific vendor to develop the bid/proposal specifications as this may provide a barrier to open, competition among the qualified vendors. The bid/proposal documents must include guidance to vendors regarding the following:

- Time, date and place of bid/proposal opening
- Anticipated award date, as applicable
- Written specifications and addendums, as appropriate
- List of all bid/proposal required documents such as CIQ, Felony Conviction Notice, etc.
- Bid/Proposal Sheet
- Bid/Proposal evaluation criteria, including the weights, as applicable
- Other documents

The **Assistant Supt for Business/CFO** shall oversee all bid/proposal documents before release to the vendor to ensure the documents comply with the federal requirements.

## 902.53 Procurement Methods

HCDE shall use one of the procurement methods allowed by federal regulations to procure goods and services with federal grant funds. In addition, HCDE shall comply with state purchasing laws and local Board Policy, CH Legal and Local.

The procurement method shall be determined based on the type of goods or services to be purchased with federal grant funds. The **Assistant Supt for Business/CFO** shall be responsible for selecting the appropriate procurement method for each procurement.

### Micro-Purchase Procedures

The **Procurement by Micro-purchase** may be most frequently used method due to the frequent purchase of goods or services that are **less than \$3,000**, as defined in CFR 200.67. The HCDE shall purchase goods and services under this method from among qualified vendors, but will not competitively procure the micro-purchases, unless in the aggregate in a 12-month period (fiscal year), the HCDE exceeds the state law thresholds, or the district's threshold in Board Policy CH Legal or Local. The **Purchasing Department** shall distribute micro-purchases equitably among qualified vendors.

### Small Purchase Procedures

The **Procurement by Small Purchase Procedures** shall be used by HCDE when the purchase of goods or services does not **exceed \$50,000**, the Simplified Acquisition Threshold (CFR 200.88). The purchasing department shall require written, emailed or faxed quotations from at **least three (3) qualified vendors** for all small purchases, i.e. purchases **that do not exceed \$50,000**. HCDE shall strive to obtain small

purchases from qualified vendors under a Cooperative Purchasing Program. HCDE is currently participating in the following cooperative purchasing programs:

- **TASB Buy Board**
- **TCPN**
- **ESC Centers**
- **Choice Partners**
- **TIPS-TAPS**
- **Other Inter-local agreements**

#### Sealed Bid Procedures

The **Procurement by Sealed Bids** method shall be used by HCDE when the purchase of goods or services **exceed \$50,000** if the acquisition of the goods or services lends itself to a fixed price contract and the selection of the successful bidder can be made principally on the basis of price. HCDE shall comply with the sealed bid requirements, as defined by the EDGAR, as noted below:

- The Department will conduct an **independent estimate determination** prior to the issuance of the sealed bids.
- Bids must be solicited from an adequate number of bidders.
- Bids must be publicly advertised and bidders shall be provided an adequate amount of time to prepare and submit their bid.
  - HCDE shall publicly advertise all bids in accordance with state law, i.e. at least two (2) times in two separate weeks
  - HCDE shall provide no less than ten (10) days for bidders to prepare and submit their bids
- Bids must contain detailed specifications to ensure that bidders have a clear understanding of the goods or services that the HCDE is seeking to purchase
- Bids must specify the time, date and HCDE location where bids will be opened publicly
- Bids must be awarded based on a fixed price contract to the lowest responsive and responsible bidder. HCDE shall consider discounts, transportation costs and life cycle costs only if these factors were included in the bid specifications. HCDE **will** consider payment discounts because HCDE **does** routinely take advantage of payment discounts.
- Bids will be evaluated, ranked and a recommendation for award made to the Board at a regularly scheduled board meeting.
  - If no bidder is recommended, HCDE shall reject all bids and evaluate whether to modify the bid specifications to initiate a new bid process
  - The Department will conduct a **determination of cost and price analysis** for reasonableness.
- HCDE shall notify the successful bidder and process the contract documents and/or purchase orders, as appropriate

- HCDE shall notify all of the unsuccessful bidders to ensure that qualified bidders are encouraged to submit bids during future bid opportunities

#### Competitive Proposal Procedures

The **Procurement by Competitive Proposal** method shall be used by HCDE when the acquisition of the goods or services **exceeds \$50,000** and does not lend itself to a fixed price contract. HCDE shall comply with the sealed bid requirements, as defined by the EDGAR, as noted below:

- The Department will conduct an **independent estimate determination** prior to the issuance of the proposal
- Requests for Proposals (RFP) must be publicly advertised
- The RFP shall identify the evaluation factors and their weight in awarding the proposal
- Proposals shall be solicited from an adequate number of bidders, but no less than two (2) qualified vendors
- Proposals shall be evaluated, ranked and a recommendation for award made to the Board at a regularly scheduled board meeting
  - HCDE shall develop an instrument to evaluate each proposal and rank the proposals based on the evaluation scores
  - HCDE shall evaluate each proposal by committee or no less than two (2) HCDE staff with knowledge of the RFP specifications
  - In accordance with state law, the vendor who is ranked highest as providing the “proposal most advantageous to the district” shall be notified of the potential award
    - HCDE may negotiate with the vendor only as it relates to potential cost savings
    - If HCDE and vendor ceases to negotiate, HCDE shall notify the vendor in writing before starting to negotiate with the 2<sup>nd</sup> highest ranked vendor.
  - The Department will conduct a **determination of cost and price analysis** for reasonableness.

#### Noncompetitive Proposal Procedures

The **Procurement by Noncompetitive Proposal** method shall be used by HCDE when the purchase of goods or services is from a “sole source vendor”. A sole source vendor is defined as a vendor that meets the following requirements:

- The Department will conduct an **independent estimate determination** prior to the review of sole source determination.
- The goods or services are only available from a single source
  - HCDE shall acquire and maintain a copy of a vendor’s sole source letter which specifies the statutory or other reason for its sole source status
- A public exigency or emergency will not permit a delay resulting from the competitive solicitation process

- HCDE shall declare a public exigency or emergency prior to making such as purchase of goods or services under this method
- The granting agency or pass-through entity authorized the use of a non-competitive proposal method
  - HCDE shall obtain written approval/authorization from the granting agency or pass-through entity.
- After solicitation of a number of sources, competition is determined to be inadequate
  - HCDE shall determine that competition is inadequate if after two (2) solicitations of bids and/or proposal, only one vendor is responsive to the solicitations
  - The Department will conduct a determination of cost and price analysis for reasonableness.

#### Other Procurement Guidelines

Regardless of the procurement method, HCDE shall encourage small, minority, woman-owned and labor surplus area firms to compete with other qualified vendors by implementing strategies to encourage their participation.

HCDE shall comply with the federal regulations related to the procurement of recovered materials (CFR 200.322) and the Solid Waste Disposal Act.

For all purchases that exceed the Simplified Acquisition Threshold of \$150,000, HCDE shall perform a cost or price analysis with every procurement. HCDE will use price quote tabulations to document the analysis. Secondly, all purchases that exceed this threshold shall comply with federal bonding requirements such as:

- Bid guarantee from each bidder of five percent (5%) of the contract price
- Performance bond on the part of the contractor for 100% of the contract price
- Payment bond on the part of the contractor for 100% of the contract price.

The **Assistant Supt for Business/CFO** shall be responsible to ensure that all purchases above this threshold are guaranteed with the appropriate bid guarantee, performance bond and payment bond.

All contracts for services and/or goods purchased with federal grant funds shall be subjected to the same review and approval process as all other HCDE contracts. The Contract Procedures and Checklist are applicable to all federally funded contracts.

HCDE shall retain all records related to the procurement of goods and services in accordance with federal, state and local requirements. In addition, all procurement records shall be available for inspection and/or audit during the life of the records. HCDE shall maintain all procurement records for five (5) years in accordance with HCDE's Local Records Retention Schedule.

## **902.6 Property Standards**

HCDE shall safeguard all property (assets and inventory) purchased with federal grant funds under the same guidelines as property purchased with local funds. Additional insurance for property purchased

with federal grant funds shall be acquired if specifically required by a federal grant award. The **Assistant Supt for Business/CFO** shall oversee the acquisition of insurance for all federally funded property.

#### Real Property

HCDE has not and will not use federal grant funds to purchase real property.

#### Equipment and Supplies

HCDE shall use federal grant funds to purchase equipment and supplies. HCDE shall not use federal grant funds to purchase intangible property. [Note. This is an option, subject to the CFR 200.315 ] The federally-funded equipment shall be used only for the authorized purposes and shall be disposed of, at the end of the useful life or end of the grant period, in accordance with the grant award guidelines. HCDE shall/shall not use the federally-funded equipment to generate program income. The federally-funded supplies shall be used only for the authorized purposes. Any residual (unused) supplies, in excess of \$5,000 in total aggregate value, at the end of the grant program or project may be used for any other federal grant program. Otherwise, the supplies shall be retained by HCDE or sold, but must reimburse the granting agency for the HCDE use or sell of the supplies. HCDE shall implement purchasing deadlines for the purchase of federally-funded supplies to ensure that residual supplies are not available at the end of the grant period or project. The purchasing deadlines are posted on the purchasing webpage at [www.hcde-texas.org](http://www.hcde-texas.org)

#### Capitalization Policy and Definitions

HCDE shall utilize the same capitalization policy for non-grant and grant-funded asset purchases. The department's capitalization threshold for assets is **\$5,000 per unit cost**. HCDE has adopted the EDGAR (CFR 200.12) definitions of property as noted below:

- *Capital assets* means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. (CFR 200.12).
- *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 equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. (CFR 200.33)
- *Computing devices* means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or "peripherals") for printing, transmitting and receiving, or storing electronic information. (CFR 200.20)
- *General purpose equipment* means equipment which is not limited to research, medical, scientific or other technical activities.
  - Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.
- *Information technology systems* means computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. (CFR 200.58)
- *Special purpose equipment* means equipment which is used only for research, medical, scientific, or other technical activities.

- Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments, and spectrometers.
- *Supplies* means all tangible personal property other than those described in §200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life. (CFR 200.94)

#### Acquisition Cost

**HCDE has also adopted the EDGAR definition of Acquisition cost as noted below:**

- *Acquisition cost* means the cost of the asset including the cost to ready the asset for its intended use. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Acquisition costs for software includes those development costs capitalized in accordance with generally accepted accounting principles (GAAP). Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in or excluded from the acquisition cost in accordance with the non-Federal entity's regular accounting practices. (CFR 200.2)

HCDE shall utilize the invoice cost, an all related costs, to record the cost of the equipment on the fixed asset database.

HCDE has also defined “inventory items” as items with a unit cost between \$1,000 and \$4,999. These items shall have a tag affixed to the item for inventory tracking and insurance purposes only. Inventory items shall include computing devices within these costs. HCDE shall track these items for insurance purposes and shall conduct an annual inventory of these items to the extent possible.

HCDE has also defined technology-related “walkable” or “personal use” items with a unit cost less than **\$1,000** as the following (these items shall be tracked by each division).

- I-Pads
- Kindle/Nook
- Computers with a cost under \$1,000

#### 902.61 Identifying and Tracking Federally-Funded Assets

Title to federally funded equipment and supply purchases shall be retained by the department, unless otherwise notified by the granting agency. As HCDE property, HCDE shall affix a tag, inventory, and dispose of all assets (non-grant and grant-funded) according to the department’s fixed asset procedures. **[Fixed Asset Procedures in Exhibit Section]** HCDE procedures shall include the recording of all assets on a database with the following information:

- 1) Department-issued tag (or identification number)
- 2) Date of acquisition
- 3) Description of asset
- 4) Serial number, or other identifying number



- 5) Funding source, i.e. fund code
- 6) Federal use of asset (percentage)
- 7) Cost of asset (acquisition cost)
- 8) Use and condition of the asset (New, Used, etc.)
- 9) Life of asset
- 10) Location of asset (building and room number)
- 11) Depreciation of asset
- 12) Owner of asset title, typically the department

### Maintaining Asset Inventory & Records

All federally-funded assets shall be maintained in an operable state. If repairs are necessary, HCDE may pay for the repairs of the federally-funded assets with federal grant funds, unless expressly restricted by the granting agency.

HCDE fixed asset procedures shall include an **annual inventory** (or more frequently if required by a granting agency) of all assets and reconciliation of the inventory reports. [Note. Federal requirements CFR 200.313 requires an inventory at least once every 2 years.] The department's annual inventory of assets shall be conducted **annually** each fiscal year. Lost, damaged, or stolen assets shall be recorded on the fixed assets database with the date of the loss. The disposition records such as the loss report (police report for thefts) shall be maintained with the asset records.

In addition, HCDE shall track all grant-funded asset purchases by grant, or fund code, as appropriate. The disposal of grant-funded assets shall be in accordance with federal guidelines and grant-specific guidelines, if any. At a minimum, the disposition date, reason and sale price of all federally-funded assets shall be recorded in the fixed assets database.

During the life of the asset, HCDE shall ensure that all assets purchased with federal grant funds are insured against loss. The costs to insure and maintain (repair) assets purchased with federal grant funds are generally allowable costs, unless specifically prohibited by a granting agency.

The **Executive Director of Facilities** shall be responsible for maintaining the fixed asset database of all HCDE assets, including all federally-funded assets.

## **902.7 Cost Principles**

All grant expenditures must be allowable under the Federal Cost Principles (2 CFR 200 – Subpart E), the grant application program assurances, the granting agency's policies, and HCDE policies and procedures.

HCDE shall adhere to the Cost Principles for federal grants [EDGAR SUBPART E] and any additional grant-specific cost principles. The general principles of EDGAR state that:

- Costs must be reasonable and necessary

- A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.
- Necessary is defined as costs needed to carry out the grant activities
- Be allocable to Federal awards
- Be authorized or not prohibited under State or local laws or regulations.
- Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
- Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
- 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.
- Except as otherwise provided for in EDGAR, be determined in accordance with generally accepted accounting principles.
- Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
- Be the net of all applicable credits.
- Be adequately documented.

HCDE shall utilize the **Allowability/Allocability of Costs Worksheet** to verify that all proposed obligations and expenditures meet the Cost Principles. If the Worksheet reflects that the proposed obligation and/or expenditure is not allowable and/or allocable to a federal grant award, HCDE shall not make the obligation/purchase with the federal grant funds. Other funds, such as local funds, may be used to make the obligation/expenditure, as appropriate.

The **total cost** of a federal award is the sum of allowable direct and allocable indirect costs less any applicable credits. All refunds, rebates, discounts or other credits to grant expenditures shall be posted to the finance general ledger as soon as the credit is known. HCDE shall ensure that all known credits have been posted to the general ledger prior to the drawdown on federal grant reimbursements. [Note. It is essential to post all credits to the general ledger on a timely basis to ensure that HCDE does not draw-down grant expenditures in excess of actual expenditures net of all credits. Otherwise, HCDE may be considered to have drawn-down funds under an advanced cash method.] The **Assistant Supt for Business/CFO** shall ensure that all applicable credits have been posted to the general ledger prior to preparing and submitting a federal grant draw-down request from the granting or pass-through entity.

A cost allocation plan or an indirect (F&A) cost rate, whether submitted to a Federal cognizant agency for indirect costs or maintained on file by the department, must be certified by HCDE using the **Certificate of Cost Allocation Plan or Certificate of Indirect Costs** as set forth in Appendices III through VII, and Appendix IX. The certificate must be signed on behalf of HCDE **by Assistant Supt for Business/CFO**. All HCDE costs with federal grant funds, whether direct or indirect, shall meet the minimum requirements of allowability as specified in the 2 CFR 200.403. In addition, the costs must meet the general provisions for selected items of cost (2 CFR 200.420). Specific items not listed within these procedures shall be evaluated by the Grant Manager and Finance Department on case-by-case basis for allowability. The general cost allowability rules for specific items of cost listed within these

procedures shall apply to all federal grant funds, unless more restrictive allowability rules are required by a particular federal grant award. **HCDE shall adhere to the more restrictive allowability rules when a conflict arises between the general allowability rules, the program-specific allowability rules and the department's allowability rules.**

### **Selected Items of Costs**

HCDE costs generally fall under two major categories: 1) compensation/benefits; and 2) non-compensation (supplies, services, travel or equipment). HCDE has elected to use federal grant funds for both compensation/benefits and non-compensation expenditures.

#### **902.71 Compensation & Benefits – Employee (Payroll Expenditures)**

Compensation and benefits (payroll expenditures) are allowable costs for personal services rendered by HCDE employees during the period of performance under the federal grants.

#### **Compensation Costs**

All payroll expenditures shall be paid in accordance with the federal cost principles. First and foremost, the payroll expenditures must be authorized on the grant application and the duties assigned must be directly related to grant activities. In addition, compensation costs shall be allowable if:

- The costs are reasonable for the services rendered and conforms to the established HCDE compensation and benefit plans for expenditures with all other funds, i.e. local funds,
- The employees have been employed in accordance with the department's established **Hiring Procedures**, and
- The costs are supported by the appropriate timekeeping, absence tracking, time & effort certifications or other documentation, as appropriate,
- Federally-funded employees shall report all outside employment or professional services rendered to other entities. The external employment and/or professional services shall not conflict with the federally-funded activities with the department,
- Incentive compensation, such as stipends, awards, early resignation incentive, attendance incentive, etc. in accordance with the department's written plans for each of these incentives,
- Stipend compensation for other non-federal grant award duties shall be supported by a **Supplemental Duties Job Description/Pay Notice**. The additional duties shall not conflict with the federally-funded activities with the department.

#### **Benefit Costs**

HCDE costs for fringe benefits for federally-funded staff shall be allowable as noted below:

- All benefit costs shall be in accordance with the department's written **Summary of Employee Benefits**

- All leave benefits shall be in accordance with the department's written **Leaves and Absences Policy (DEC Local)**
- The benefit costs shall be distributed equitably at the same allocation rate (percentage) as the base compensation
- The benefit costs were earned and paid during the grant period
- All benefit costs shall be allowable under the Internal Revenue Service, Fringe Benefits Guide (as subjected to taxes, as required by federal statute)

HCDE shall not charge any benefit costs to a federally-funded grant if the benefit costs are not in accordance with department's written **Summary of Employee Benefits, Board Policy**, or other written benefit plan(s). HCDE has established the following as **non-allowable** benefit costs:

- Severance or settlement agreement payouts to current and/or previous federally-funded grant staff [NOTE. These costs are allowed subject to strict guidelines – HCDE option to include or exclude.]
- Optional pension plans (other than the mandatory Teacher Retirement System of Texas contributions). [NOTE. These costs are allowed subject to strict guidelines – HCDE option to include or exclude.]
- Automobile costs or allowance

#### Documentation of Compensation and Benefit Costs

In addition, to the time and effort reporting requirements, HCDE shall support all compensation and benefit costs paid with federal grant funds shall be supported by the following documentation:

- **Exempt staff**
  - Employment agreement, contract, or reasonable assurance, as appropriate
  - Job description signed by the employee with language similar to: *Funded by Title I, Part A with the primary purpose of supporting grant activities aimed at improving academic achievement for students struggling to meet state standards.*
  - *Supplemental duties, if any, shall be supported by a Supplemental Duties Job Description/Pay Notice*
  - Absence records, if any
  - Time and Effort documentation, as appropriate (Semi-Annual Certification, Periodic Time and Effort, or the Substitute System for Time and Effort)
- **Non-Exempt staff**
  - Employment agreement, contract, or reasonable assurance, as appropriate
  - Job description signed by the employee with language similar to: *Funded by Title I, Part A with the primary purpose of supporting grant activities aimed at improving academic achievement for students struggling to meet state standards.*
  - Absence records, if any

- Time and Effort documentation, as appropriate (Semi-Annual Certification, Periodic Time and Effort, or the Substitute System for Time and Effort)
- Timekeeping records (actual work hours per workweek) in accordance with the FLSA and the department's **Timekeeping Procedures**.

## 902.72 Selection of Grant-Funded Staff

The **Grants Manager** shall work collaboratively with the appropriate stakeholders (departments) to identify all staff needed to accomplish the grant activities. The Grant Manager shall work collaboratively with the Business Office to obtain estimated salaries for proposed grant-funded staff prior to the completion of the grant application. And, the Grant Manager shall provide a copy of the Payroll Summary of each grant program to each of the departments noted above upon approval of the grant application.

The process of approving payroll expenditures from grant funds shall be a collaborative process between the department, Human Resources, Grants Management, and Finance [Purchasing, Budgeting, Accounting and Payroll] departments. Each department plays an essential role in ensuring that all federal grant requirements are met.

The Board Approved **Teacher Hiring** and **Mid-Point Pay Scale** (compensation plan) shall be used to compensate all HCDE staff whether paid from local, state or federal grant funds. In addition, HCDE shall provide the same employer-provided benefits for all HCDE staff whether paid from local, state or federal grant funds.

The compensation for grant-funded staff shall be allocated to the respective grant program (fund) based on the single and/or multiple cost objectives performed by the grant-funded staff. If a grant-funded staff member performs non-grant activities during the day or beyond the normal work day, the compensation for the non-grant activities shall be paid from non-grant funds. Grant-funded staff with more than one cost objective, shall comply with the Time and Effort documentation requirements. Incentive payments, such as performance, perfect attendance, safety, etc. for grant-funded staff shall be allowable with federal grant funds if they are based on the same criteria as non-federal grant funded staff.

### New Positions

New grant-funded positions shall be created only when a job description has been developed and approved by the Human Resources and the Grant Manager. The Grant Manager shall ensure that the position is approved on the grant application and that adequate funds exist to fill the position. The **Business Office and payroll departments** shall be notified to ensure that the position is budgeted on the general ledger and the position is paid using the correct payroll account distribution codes.

### New Hires

New staff hired for work in positions that are wholly or partially funded with federal grant funds, shall be hired when a position and funding are both available. Upon separation of an employee, the home department of the position shall initiate a request to replace the position. [NOTE: A Personnel Action Form]

The **Grants Manager** shall review the request to ensure that the position is still authorized and necessary. Changes to the job description, if any, shall be made at this time. The **Business Office** shall review the request to ensure that adequate funds exist in the appropriate account code(s). If funds do not exist, the **Business Office** shall notify the **Grants Manager** to determine if funds will be re-appropriated to the account code(s). After approval from the **Grants Manager** and **Assistant Supt for Business/CFO**, the **Human Resources department** shall advertise the position.

The screening and selection process shall include a review of the recommended applicant to ensure that he/she meets the highly qualified requirements under the No Child Left Behind Act (NCLB), as appropriate, or any other grant-specific credentials. [NOTE: A Personnel Recommendation may be used to start the process.]

Upon employment, the new hire shall receive and sign a copy of his/her respective job description to include the grant funding source. NOTE: If the position is funded with a short-term grant fund, the employee shall be notified in writing when the grant funding will lapse, especially if their position will lapse at the end of the grant.

#### Transfer of Personnel

When staff in a position funded with grant funds is recommended for transfer to another department, or assignment, the grants management, human resources, and finance departments shall work collaboratively to ensure that the appropriate staff allocations and funding changes are made at the time of the transfer.

#### Substitute Teachers

Salary expenditures for substitute teacher are allowable for approved teacher positions. The finance and payroll departments shall ensure that the expenditures for substitute teacher costs are budgeted and expensed from the appropriate account code(s). **The Board approved substitute pay scale shall be used to compensation all substitute teachers whether paid from local, state or federal grant funds.**

#### Stipends and Extra Duty Pay

Stipend and extra duty pay expenditures are allowable for authorized and approved activities. A schedule or work log shall be maintained to substantiate the stipend and/or extra duty pay. NOTE: It is recommended by TEA that a job description for each stipend role include the duties related to the grant purpose and the grant funding source. **[Note. A sample Supplemental Pay Notice-Job Description is included in the Exhibit Section.]** The Board approved **Stipend and Extra Duty Pay Schedule** shall be used to compensation all substitute teachers whether paid from local, state or federal grant funds.

The **Business Office** shall ensure that the expenditures for stipend and extra duty pay are budgeted and expensed from the appropriate account code(s). The stipend and extra duty pay rates shall be the same as the rates used for similar locally funded activities. For example, if a teacher stipend for attending a 1-day professional development activity funded through local funds during a non-scheduled work day is **\$150 per day**, the teacher stipend for attending a federally-funded 1-day professional development activity should be **\$150 per day**, too. **[The Stipend and Extra Duty Pay Scale (adopted by the School Board) is included in the Exhibit Section.]**

#### 902.73 Time and Effort Documentation

HCDE staff funded wholly or partially with federal grant funds shall comply with federal guidelines related to time and effort. The grant funded staff, their immediate supervisors, grants management, human resources, and finance departments shall be aware of the federal guidelines related to time and effort documentation. On a least an **annual basis**, all impacted staff shall be trained by the grants management department and/or attend appropriate training from an outside source.

HCDE shall collect and monitor time and effort documentation for HCDE employees only. **Time and effort documentation does not apply to Independent Contractors.**

HCDE shall comply with all federal time and effort documentation guidelines. The following requirements shall apply to all HCDE staff funded wholly or partially from federal grant funds, including staff funded through non-federal grant funds as part of a cost sharing or matching requirement.

#### Job description for all grant funded staff

HCDE shall develop and distribute a job description to all HCDE staff that is wholly or partially funded with grant funds. The job description shall include the **funding source** and the job duties as they relate to the grant position. The grant-funded staff shall **sign the job description** at employment and on an annual basis, or at a minimum, when the funding source, job title or other change occurs in the employment or assignment of the staff member.

#### Roster of all grant funded staff

The **Grant Manager** shall maintain an up-to-date roster of all grant funded staff to include the position title, annual salary, and funding source(s) by percentage. The roster of grant funded staff shall include all staff paid with non-federal grant funds whose compensation/benefits are paid as part of a matching or cost sharing requirement of a federal grant fund.

The **department, human resources, and business office** shall work collaboratively to ensure that the roster accurately reflects that data maintained in their respective area of responsibility. Discrepancies, if any, in the roster shall be brought to the attention of the grants management department.

The review of the roster shall include, but not be limited to the following:

- 1) Department – ensure that the grant funded staff are assigned in the position title as noted on the roster. The assignment of instructional staff must support the position title and funding source.
- 2) Human Resources – ensure that the position title and salary are correct. In addition, the HR department shall ensure that each grant funded staff member has a signed job description on file for the position title, and, the HR department shall ensure that all grant-funded staff meet the state’s Certification or are Highly Qualified, as appropriate.
- 3) Finance – ensure that the funding source(s) and salary are correct. In addition, the finance department shall ensure that the payroll distribution account code(s) are in accordance with the FASRG.
- 4) Grant Manager – ensure that the positions are authorized on the grant application. **The review shall occur on at least a quarterly basis throughout the fiscal year.**

#### Budgeting of grant funded staff

The roster of grant funded staff shall be the basis for budgeting of grant funded staff. The percentage of time in each funding source shall be utilized by the **business office** to create and enter the salary portion of the grant budget. The percentages shall also be utilized by the **payroll department** to enter the payroll distribution account code(s).

In addition, the **business office** shall ensure that the Grant Personnel Schedule of the grant application matches the budget and payroll account code(s).

The **grants management, human resources and business office** shall work collaboratively to adjust the budget and payroll account code distributions of grant funded staff if the time and effort documentation consistently reflects that the percentage(s) across the funding source(s) is not a true reflection of the normal work schedule.

#### Time and effort requirements for staff funded 100% from one grant (or working 100% of their time in a single cost objective)

The staff funded 100% from one grant source do not have to maintain periodic time and effort records. However, all employees must certify in writing, at least semi-annually, that they worked solely on the program for the period covered by the certification. The employee and his/her immediate supervisor must sign the **Semi-Annual Certification Form** (sample in Exhibit Section).

**The timeline for semi-annual certifications shall be twice per year. The immediate supervisor shall submit all signed semi-annual certifications to the grant management department as noted below:**

- 1) **1<sup>st</sup> Certification – due July**
- 2) **2<sup>nd</sup> Certification –due January**

The **Grant Manager** review shall consist of the following:



- 1) A review of the certification forms to ensure that every staff member and supervisor has certified that their schedule is 100% grant related
- 2) A test sampling of staff assignments, i.e. master schedule, duty schedule, etc. to verify the schedule is 100% grant related

The **Grant Manager** shall collect and review all Semi-Annual Certification Forms. Any certifications that reflect a percentage other than **100%** shall be forwarded to the **business office** for adjustment of the grant payroll expenditures for the certification period. NOTE: Steps should also be taken to ensure that the staff member's work schedule is adjusted to 100% grant related, or is changed from the semi-annual certification method to time and effort reporting.].The **Grant Manager** shall file the certifications for audit purposes.

The **business office** shall prepare a journal ledger entry to correct the account distribution code(s) as appropriate. **The Business Manager** shall post the entry to the finance general ledger.

Time and effort requirements for staff split funded (funded from more than one (1) cost objective and/or grant programs)

Time and effort applies to employees who do one of the following:

- 1) Do not work 100% of their time in a single grant program
- 2) Work under multiple grant programs
- 3) Work under multiple cost objectives

These employees are required to maintain a **Time and Effort Worksheet** [Refer to Exhibit Section] or to account for their time under a substitute system. Employees must prepare time and effort reports at least monthly to coincide with the HCDE pay periods. Such reports must reflect an *after-the-fact* distribution of 100 percent of the *actual* time spent on each activity and must be signed by the employee and their immediate supervisor. Charges to payroll must be adjusted to coincide with preparation and submittal of the expenditure reports required by the granting agency.

Grant-funded staff under this category shall complete a Time and Effort Worksheet (sample in Exhibit Section) to include the date, grant source, percentage worked in the grant source per day and the summary for the month (or pay cycle). The staff member and his/her immediate supervisor shall sign the time and effort report. The timeline for time and effort reports shall be **once per month** to coincide with the **monthly payroll cycles** as noted below:

- 1) Semi-monthly payroll [15<sup>th</sup> & 31<sup>st</sup> of month] – Time & Effort reports are due by the 5<sup>th</sup> and 20<sup>th</sup> of the month.**

The immediate supervisor shall submit all signed time and effort reports to the Grant Manager.

The **Grant Manager** review shall consist of the following:

- 1) A review of the time and effort reports to compare the summary percentage of grant-related work per funding source to the budgeted percentage utilized to charge the monthly (or semi-monthly) payroll charges
- 2) A test sampling of staff assignments, i.e. project schedule, duty schedule, etc. to verify the percentage of grant-related work per funding source
- 3) If the time and effort report reflects the same percentage, the report may be filed for audit purposes
- 4) If the time and effort report reflects a different percentage, the report shall be reconciled to reflect the correct payroll charges by grant funding source and forward the reconciliation to the **business office** for adjustment of the payroll charges on the general ledger.

The **business office/Staff Accountant** shall work with the Human Resources to update payroll distribution to reclassify the expenditures as noted on the reconciliation of the time and effort report(s). According to federal regulations, the final amount charged to each grant award must be accurate, allowable and properly allocated. Business office shall post all variances greater than **10%** to the general ledger; otherwise, the variances shall be posted prior to the final expenditure report. NOTE: The business office should use caution to avoid excess drawdown of grant funds due to unallowable payroll costs if timely adjustments to the general ledger are not posted prior to the drawdown of funds.]

#### Time and Effort Substitute System

The US Department of Education (USDE) and the Texas Education Agency (TEA) have authorized the use of a substitute system for time and effort.

The HCDE has not opted to use the Time and Effort Substitute System at this time.

#### 902.74 Non-Payroll Expenditures

Direct non-payroll expenditures include contracted services, supplies, travel and equipment. The expenditure of federal grant funds for non-payroll costs shall adhere to the department's purchasing policies and procedures. In addition to the normal purchasing process, all grant funds must be approved by the **Grants Manager** for each respective grant program, as appropriate.

The **grants manager** with approval authority for each federal grant is listed in the [Schedule of Federal Expenditures Award](#).

#### TEA Guidelines Related to Specific Costs

HCDE shall adhere to TEA's Guidelines Related to Specific Costs as published to the TEA website (as applicable). A copy of the guidelines shall be made available to all staff with authority to initiate and/or authorize a purchase or expenditure with federal grant funds. In addition, all staff with authority to initiate and/or authorize a purchase or expenditure, such as department administrators, business office staff, and grant department staff shall receive a copy of the latest guidelines. The guidelines shall be

incorporated in the annual training for all of these staff members. **These guidelines shall be posted on the department's website as a resource when expending federal grant funds.**

#### Local Guidelines Related to Unallowable Costs

HCDE has developed local guidelines related to unallowable costs with federal grant funds. Although some of these costs may be allowable under the federal or state regulations, HCDE has determined that expenditures shall be unallowable with federal grant funds. **The unallowable costs are noted on the uniform grant guidance.**

#### Selected Items of Cost – Professional Services

##### 902.75 Contracts and Professional Services with Grant Funds

All contracts and professional services agreements shall be reviewed and approved in accordance with HCDE guidelines for all non-grant funds. For example, if Board Policy requires that all contracts that exceed \$50,000 be approved by the Board of Trustees, all federal grant contracts that exceed \$50,000 shall also The department's **Contract Management Procedures (Exhibit Section)** shall be adhered to in procuring, evaluating, selecting and awarding contracts. The vendor shall complete the **Vendor Application Package** to include, at a minimum, the following documents:

- Vendor application
- W-9 Form for vendor identification and tax purposes
- Conflict of Interest Questionnaire
- Felony Conviction Notice
- Criminal Background and Fingerprinting (if working directly or indirectly with students)
- Certificate of Insurance (with HCDE as additional insured) if services will be rendered on HCDE property

In addition, **the Grant Manager** shall review and approve all consultant services agreements for compliance with federal regulations regarding professional service costs (2 CFR 200.459).

The **Grant Manager** and **Business Office** review shall consist of the following:

- 1) Consultant and/or contractor has not been suspended or debarred
- 2) The contract and/or funds have been approved in the grant application, if specific approval is required from the granting agency
- 3) The contract's nature and scope of service is directly related to the federal grant award activities
- 4) The past pattern of costs, particularly in the years prior to federal awards
- 5) The contract does not contain any proposal costs [not allowable under federal regulations]
- 6) Whether the proposed contracted services can be performed more economically by direct employment rather than contracting

- 7) Capability of the proposed vendor to perform the required services
- 8) The qualifications of the contracting firm or individual and the customary fees charged by the proposed vendor [A Resume, Vita or Statement of Qualifications shall be required for all contracts with Independent Contractors.]
- 9) The contract and/or consultant agreement meets the allowable costs principles.
- 10) A contract subject to Davis Bacon has the appropriate contract language  
The contract and/or consultant agreement fee for services do not exceed any federal grant or local limits.

The **Superintendent and/or the Assistant Supt for Business/CFO** shall review and approve all contracts. The review shall consist of the department's **Contract Review Checklist** and any other requirements specific to the contract and/or federal grants.

The final approval authority for all contracts shall be the **Superintendent and/or the Assistant Supt for Business/CFO**, unless the contract is over **\$50,000**, then the final approval authority shall be the Board of Trustees through approval at a regularly scheduled board meeting.

The date that HCDE executes (signs) a contract for professional services shall be defined as the "obligation date". Since the HCDE cannot obligate federal grant funds, except during the grant period, HCDE shall not execute a contract prior to, or after, a grant period; otherwise, the costs of the professional services shall be unallowable under the federal cost principles.

HCDE **will not** execute a Letter of Intent with a third party prior to the issuance of a Notice of Grant Award (NOGA), as deemed appropriate.

All HCDE contracts for professional services to be funded through a federal grant award shall comply with the following contract provisions as recommended in the Texas Education Agency's Guidance and Best Practices for Professional Services Contracts:

- The contract is only effective upon receipt by HCDE of the NOGA from the awarding agency.
- The contract period is aligned to the grant period of availability as stated on the NOGA from the awarding agency (period of availability).
- All services will be completed during the effective dates of the contract.
- All services will be invoiced monthly after services are received (rather than paid lump sum at the beginning of the period of availability before services are rendered) and paid upon verification of receipt of services.
- The regulations for procurement in 2 CFR §§200.318-323 are followed in issuing the contract.
- All professional services provided under the contract will follow the provisions of 2 CFR 200.459 Professional service costs.
- The contract identifies the funding sources that will be charged for the services provided, including the specific amount and/or percentage of the total contract amount to be charged to each funding source.

- The contract identifies and lists only reasonable, necessary, and allocable services to be provided during the period of availability of the funding sources listed in the contract.
- The administrative costs charged to the grant in the contract must comply with any limitations for administrative costs for funding sources (if applicable).
- The contract specifies that the invoice provided by the contractor will include the list of services provided, dates of services, and location(s) where services were provided during the billing period.

Additional HCDE contract provisions shall include:

- The contract shall not have multi-year extensions without a “non-appropriation of funds” cancellation clause
- The contract extensions, if included, shall restrict the contract renewals and/or extensions to either a “sole discretion of the department” or “mutual agreement” and not an “automatic renewal”.
- All products created as a result of HCDE shall be vested in the HCDE and HCDE shall retain all intellectual property rights

#### 902.76 Approval of Grant Purchases and Expenditures

HCDE shall adhere to the normal approval path for purchase orders with non-grant funds.

In addition, all purchase orders with grant funds shall be reviewed and approved by the appropriate Grant Manager.

The **Grant Manager** review shall consist of the following:

- 1) The expenditure is *reasonable* and *necessary* (as defined in federal grant guidelines). (NOTE: A test of whether an expense is necessary may include the verification that the expenditure is to perform a strategy or activity in HCDE department improvement plans.)
- 2) The expenditure is not required by state law or local policy.
- 3) The expenditure has been approved in the grant application, if specific approval is required from the granting agency
- 4) The expenditure meets the allowable costs principles.
- 5) The expenditure is allowable and approved in the grant application and is consistent with the grant purpose
- 6) The expenditure is supplemental and not supplanting a local expenditure (NOTE: Refer to compliance issues related to supplement and supplant for additional guidance)
- 7) The expenditure has been competitively procured as required by law, as appropriate.
- 8) The expenditure has been approved by the governing body, as appropriate [Note. Board Policy CH Local has established the threshold of contract approval by the Board **at \$50,000**

In an effort to meet all obligation and liquidation requirements of grant funds, the following purchase order deadlines shall be adhered to by all purchase order originators.

**Purchase order deadlines by grant fund shall be 30 days prior to the end of the grant.**

In addition to the normal approval path of HCDE expenditures, all grant expenditures shall be approved by the Grant Manager under the following circumstances:

- 1) Invoice amount exceeds the purchase order
- 2) Payment of an invoice will be paid by an account code(s) other than the original account code(s) that were used to encumber the purchase order
- 3) Travel expenditures, if not encumbered through the purchase order system
- 4) Non-purchase order payment such as petty cash, credit card, direct invoice, reimbursement, etc.
- 5) Reclassification of a prior expenditure from one account code(s) to another

All finance department staff (accounts payable staff) shall adhere to the Accounts Payable Procedures for all check disbursements. Specifically, all checks issued by HCDE shall be verified, recorded, approved, issued and reconciled by multiple individuals to ensure segregation of duties. **[Accounts Payable Procedures in the Exhibit Section.]**

**Credit Card Purchases with Grant Funds**

HCDE **shall** use district-issued credit cards to make purchases with federal grant funds.

An original, detailed receipt shall be required for all credit card purchases with federal funds. If the purchaser does not submit an original, detailed receipt for audit purposes, the expenditure and/or reimbursement may not be charged to a federal fund. At no time shall HCDE credit cards be used to withdraw cash.

The **Grant Manager** shall review and approve all credit card expenditures.

The Grant Manager administrative review shall consist of the following:

- 1) Original, detailed receipt includes an itemized list of what was purchased
- 2) The purchaser has documented a valid reason for the purchase which is consistent with the grant guidelines
- 3) The credit card purchase meets the allowable costs principles.

Fraudulent credit cards purchases made with federal grant funds shall be grounds for disciplinary action, up to and including termination of employment. The appropriate legal authorities shall also be notified for criminal prosecution, as appropriate. Accidental use of a credit card to make an unauthorized purchase with federal grant funds may be subject to similar disciplinary action but shall require immediate (within 2 days from date of discovery) restitution to the department. **[Note. The fraudulent or accidental charges may not be charged to a federal grant fund, nor drawn-down as expenditures.]**

### Petty Cash Purchases with Grant Funds

HCDE **may** use a petty cash account to make purchases with federal grant funds.

An original, detailed receipt shall be required for all petty cash purchases with federal funds. If the purchaser does not submit an original, detailed receipt for audit purposes, the expenditure and/or reimbursement may not be charged to a federal fund.

The Grant Manager shall review and approve all petty cash expenditures.

The grant administrative review shall consist of the following:

- 1) Original, detailed receipt includes an itemized list of what was purchased
- 2) The purchaser has documented a valid reason for the purchase which is consistent with the grant guidelines
- 3) The petty cash purchase meets the allowable costs principles.

NOTE: HCDE **may** reimburse any purchases made with personal cash funds, except for travel-related expenditures, as appropriate.

### 902.77 Travel Expenditures with Grant Funds (Students & Staff)

HCDE may use federal grant funds for travel costs. All travel-related expenditures from grant funds shall comply with the allowable federal cost principles, the State Tex-Travel Guidelines, Board Policy and the department's travel guidelines. **[Travel Guidelines in Exhibit Section]**. The allowable rates of reimbursement shall be the lesser of the federal rates or local rates. **For example**, if the federal rate of reimbursement for mileage is .575 cents but the local rate established in Board Policy DEE Local is 28 cents, the maximum rate of reimbursement for mileage with federal funds shall be the local rate of 28 cents.

The travel-related expenditures with grant funds shall fall within the grant period, unless a specific exception is allowable by the granting agency.

The following guidelines shall apply to the expenditure of grant funds for staff, student and/or parent travel, as appropriate.

- A completed **Travel Authorization/Settlement form** for all travel
- Registration fees – registration fees shall be allowable if the event is related to grant activities. Registration fees may be paid from the current grant period for an event during the next grant period **only if** there is an absolute deadline to register for the event and if allowed by the grant. Early registration deadlines shall not apply. Recreational or social events subject to an additional fee, above and beyond the registration fee, shall not be allowed with grant funds.

- Meals – meal expenses for overnight travel (in accordance with local travel guidelines) shall be allowed for HCDE employees and students. Non-overnight travel meals expenses shall be paid through payroll and taxed as appropriate. HCDE shall reimburse meal expenses, subject to the GSA limits, on an *accountable* per diem basis only. The traveler shall submit a written certification [Travel Authorization/Settlement Form] with the actual meal costs for work-related meals, or shall return the unused meal funds to the department. The written certification (Travel Settlement) shall be required in lieu of actual receipts. The meal per diems shall be adjusted in accordance with IRS regulations regarding the day of departure/return and meals provided without cost as part of the registration fee.
- Lodging – lodging expenses for overnight travel (in accordance with local travel guidelines) shall be allowed. CDE shall pay for lodging expenses up to the GSA limits. Receipts shall be required for all lodging expenses. Recreational or personal services such as gyms, spas, etc. shall not be allowed with grant funds.
- Transportation – transportation expenses shall be allowed for *reasonable* expenses such as flight, rental car, taxi, shuttle, mileage reimbursement, etc. (in accordance with local travel guidelines). Receipts shall be required for all transportation expenses to the extent that a receipt is available. Transportation expenses shall be reasonable and limited to the guidance in the cost principles.

**No grant funds shall be used for travel expenditures of non-HCDE staff such as spouses.** HCDE shall not allow any “family-friendly” travel expenditures, such as dependent care travel costs, with federal grant funds.

The Grant Manager shall review and approve all travel-related expenditures paid with federal grant funds.

The **Grant Manager** review shall consist of the following:

1. All original, detailed receipts include an itemized list of what was purchased
2. The traveler has documented a valid reason for the travel which is consistent with the grant guidelines and purpose
3. The travel expenditures meet the allowable cost time and principles.
4. The travel is not for the Superintendent or other individual (non-employee such as family member, Board, etc.).
5. The travel is for students during an educational field trip or other approved activity in accordance with grant guidelines and purpose
6. The travel is not for a contractor or consultant for *their* professional development
7. The travel was approved by the granting agency, as appropriate (for example: out-of-the-country travel)

## **902.78 Preparing Expenditure Reports & Draw Down of Funds**

### **902.41 Draw-down of Grant Funds**



HCDE shall on **at least monthly basis**, or as allowed or required by the grant guidelines, draw-down grant funds that have been spent in accordance with the grant guidelines. The draw-down shall be for all expenditures to date, less grant funds received to date, as verified by a financial general ledger. NOTE: The expenditures shall be net of all refunds, rebates, discounts, credits, and other adjustments, if any. In addition, the HCDE may not draw down more cash than necessary to meet **3 days' cash needs** if HCDE has opted to operate under the cash advancement program guidelines.

If HCDE has opted to operate under a cash reimbursement program guideline, HCDE shall submit a draw-down of federal grant funds only when the following has occurred:

- The expenditure has been made as evidenced by distribution of a paycheck to a grant funded staff member or mailing, e-paying, or delivering a payment to a vendor.

**At no time shall HCDE draw-down any “advanced” cash payments, unless specifically allowed by the granting agency.**

The draw-down of grant funds from the granting agency shall be initiated by the business office. A detailed summary general ledger of each grant fund should be generated to determine if HCDE is entitled to draw-down funds, i.e. if the granting agency owes HCDE any funds. If HCDE has funds available for draw-down, a detailed general ledger plus any other appropriate documentation should be generated and forwarded to the Grant Manager for their review and approval.

**If a grant has a matching requirement, HCDE shall draw-down only the allowable amount after verifying compliance with the level of matching expenditures.**

The Grant Manager review shall consist of the following:

- 1) A review of the detailed general ledger for any unusual charges or reclassification of expenditures
- 2) A test sampling of either unusual or large expenditures to ensure that the expenditures were reviewed and approved by all designated staff
- 3) Monitor the percentage of expenditures-to-date to ensure that the grant funds are expended on a timely basis throughout the grant period. [NOTE: TEA may disallow grant fund expenditures that appear to be made outside of the grant period or so late in the grant period that HCDE and its student did not benefit from the delayed expenditure.]
- 4) Authorize [in writing] the finance department to draw-down the available grant funds

Upon approval from the Grants Manager, the **Assistant Supt for Business/CFO** shall prepare the paper or electronic draw-down request. A copy of all supporting documentation such as the detailed general ledger, approval from the grant management department, and other supporting documentation shall be filed for audit purposes. **Staff Accountant** shall prepare the journal ledger entry upon receipt of the reimbursement and the **Chief Accounting Officer** shall post the to the finance general ledger.

If manual approval of an electronic draw-down is required by the granting agency, the finance department shall comply with the manual requirements. For example, TEA at times requests supportive information related to a drawn down such as a detailed general ledger, narrative justification, or summary of expenditures by object code. Upon a request from the TEA, the **Assistant Supt for Business/CFO** shall respond to the request within the allotted time to avoid designation as a “high risk” grantee.

The **Assistant Supt for Business/CFO** shall be responsible to ensure that the requested draw down amount does not exceed a grant-specific draw down amount, or percentage as applicable.

The final draw-down of grant funds from the granting agency shall be made within the allowable timeframe. The grant liquidation guidelines shall be adhered to in making final payment for all goods and services received and *placed into service* before the end of the grant period. The draw down process shall be the same as a monthly or periodic draw down, except that all refunds, rebates, credits, discounts or other adjustments to the general ledger must be recorded in the general ledger prior to submitting the final draw down request. [NOTE: There shall be no outstanding purchase orders or pending liquidations at the time of the final draw down of grant funds.] The final draw-down shall be reviewed and approved in the same manner as a periodic draw-down.

Federal regulations (CFR 200.415) requires that HCDE certify the accuracy of the annual and fiscal reports or vouchers requesting payments be signed by the authorized individual(s). The **Grant Manager** and **Assistant Supt for Business/CFO** shall jointly certify every draw-down of funds, including the final expenditure report (draw-down of funds) as noted below:

*By signing this report, we certify to the best of our knowledge and belief that the reports is true, complete and accurate, and the expenditures, disbursements and cash receipts are the purposes and objectives set forth in the terms and conditions of the federal award. We are aware that any false, fictitious, or fraudulent information or omission of any material fact, may subject us to criminal, civil, or administrative penalties for fraud, false statements, false claims or otherwise.*

If a final draw down deadline is missed, the **Assistant Supt for Business/CFO**, shall contact the granting agency to determine if a process exists to request a filing deadline extension. [NOTE: TEA has developed procedures to request an extension for filing expenditure reports. The request form must be completed, signed by the Superintendent and filed with TEA within 30 days of the final expenditure report deadline.]

#### Receipt of Grant Funds

All HCDE staff, especially those assigned with federal grant duties, shall adhere to the Cash Management Procedures. Specifically, all cash received by HCDE shall be deposited, recorded reconciled by multiple individuals to ensure segregation of duties. [**Cash Management Procedures in the Exhibit Section.**]

HCDE shall record all grant fund drawdowns upon receipt from the granting agency. The receipt of grant funds shall be posted to the general ledger to the appropriate revenue account code. In the event that the grant funds received do not match the recorded receivable, the **Assistant Supt for Business/CFO** shall contact the granting agency to determine the discrepancy. If the granting agency has reduced and/or increased the grant funds paid to the department, a general ledger adjustment shall be posted to the appropriate revenue and receivable accounts. The **Staff Accountant** shall prepare the adjusting journal ledger entry with appropriate supporting documentation and the Chief **Accounting Officer** shall post the entry to the finance general ledger.

**HCDE (will not) maintain grant funds in a separate bank account.**

HCDE has elected to draw down federal grant funds under the cash reimbursement program guidelines, i.e. after the delivery of the payment to the payee. No interest shall be earned, recorded, nor returned to the granting agency as a result of the cash reimbursement program.

Tracking and Recording Receivables

On at least a monthly basis, **the Assistant Supt for Business/CFO** shall review all pending receivables. Aged receivables, defined as **greater than 60 days from the date of recording**, shall be investigated and resolved by contacting the granting agency.

At the end of the fiscal year, all known and measurable receivables shall be recorded to the general ledger to the appropriate grant code. The **Staff Accountant** shall prepare the journal ledger entry with appropriate supporting documentation and the **Chief Accounting Officer** shall post the entry to the finance general ledger.

## **902.8 Grant Compliance Areas**

HCDE shall ensure that it is in compliance with all provisions and assurances of all grant programs. In addition, HCDE shall comply with grant requirements such as *supplement not supplant*, indirect cost.

### **902.81 Supplement, Not Supplant**

The term —supplement, not supplant is a provision common to many federal statutes authorizing education grant programs. There is no single supplement, not supplant provision. Rather, the wording of the provision varies depending on the statute that contains it.

Although the definition may change from statute to statute, supplement not supplant provisions basically require that grantees use state or local funds for all services required by state law, State Board of Education (SBOE) rule, or local policy and prohibit those funds from being diverted for other purposes when federal funds are available. Federal funds must supplement—add to, enhance, expand, increase, extend—the programs and services offered with state and local funds. Federal funds are not permitted to be used to supplant—take the place of, replace—the state and local funds used to offer those programs and services. [TEA Supplement, Not Supplant Handbook, 2013]

HCDE process to ensure that all grant funded activities are supplemental shall be a collaborative effort between the grants management and Business office [purchasing] departments. Both departments shall receive training and be aware of the supplement not supplant provisions.

The **Grants Manager** shall review and approve all purchase orders (and non-purchase order payments). The **Grant Manager** review shall include a determination if the planned purchase and/or expenditure meet one of the following guidelines:

- 1) The grant funds will be used to enhance, expand, or extend required activities. Examples may include before/after tutoring, additional research-based instructional programs, or other supplemental expenditures not required by state law or local policy.
- 2) The grant funds will be used for specific grant activities included the grant application that are above and beyond the activities funded with local funds
- 3) The grant funds will be used to supplemental grant activities as noted on the DIP or a CIP.

Program-specific supplement, not supplant provisions shall be complied with in addition to the overall federal funds requirements.

#### **902.82 Comparability – This section is not applicable to HCDE.**

#### **902.83 Indirect Cost**

Grantees must have a current, approved federal indirect cost rate to charge indirect costs to the grant. The indirect cost rate is calculated using costs specified in the grantee's indirect cost plan. Those specified costs may not be charged as direct costs to the grant under any circumstances. [TEA Indirect Cost Handbook, 2014]

The HCDE has applied for an Indirect Cost Rate extension through the pass-through entity (TEA) for a fiscal -year period, from September 1 2015 to August 31, 2020. After the extension period, HCDE shall apply for an indirect cost rate through the federal granting agency or pass-through entity (TEA) in accordance with the current regulations. The **Assistant Supt for Business/CFO** shall complete and submit an Indirect Cost Rate Proposal by the established deadline as specified by the pass-through entity (TEA) on the Indirect Cost webpage at: <http://tea.texas.gov/index4.aspx?id=3842>

The HCDE Indirect Cost Rate, or the maximum allowable rate, whichever is less shall be used to post Indirect Costs for federal funds to the General Fund. **Staff Accountant** shall prepare a general ledger entry for the indirect costs with appropriate supporting documentation. The **Chief Accounting Officer** shall post the entry to the finance general ledger.

#### **902.84 Maintenance of Effort – This section does not apply to HCDE.**

#### **902.85 Reporting Requirements**

HCDE shall ensure that all reporting requirements for grant programs are met within the established timelines. A master list of all activity, progress, evaluation, and expenditure reports shall be created to

include the grant program, report due, responsible person(s), and due date. Completion of the reports may require the collaboration of several departments; however, the ultimate responsibility for the reporting requirement shall be as noted below:

- 1) **Programmatic reports such as activity, progress and evaluations – Grants Management department**
- 2) **Expenditure reports such as interim, draw down and final expenditure reports – Business Office**
- 3) **Compliance reports such as Indirect Cost, etc. –Business Office,**
- 4) **Highly Qualified Staff reports – Human Resources Department, Executive Dir for HR**

The **Grant Manager and the Business Office** shall monitor the overall master list to ensure that all reporting requirements have been completed by the appropriate department.

## **902.86 Grant Monitoring and Accountability**

HCDE shall ensure that all grant funds are consistently monitored throughout the grant period. The monitoring shall include, but not be limited to:

- Compliance with federal requirements such as cost principles, audit, reporting requirements, etc.
- Monitoring of grant expenditures are properly documented and meet all allowable costs
- Monitor grant performance such as internal controls, audit findings, over/under expenditures, etc.
- Implement strategies to deter, mitigate and eliminate waste and fraud in the expenditure of grant funds

The **Grant Manager** for each federal grant shall be responsible for the programmatic and evaluation compliance and the **Assistant Supt for Business/CFO** shall be responsible for the financial compliance. A list of the Grant Managers by federal grant is included in the Exhibit section. The use of “Grant Manager” throughout this document shall refer to the specific Grant Manager by federal grant as listed on [Schedule of Federal Expenditures Award](#).

The **Grant Manager** shall monitor the timing of grant activities throughout the grant period, especially as they relate to the desired outcomes. The **Business Office** shall monitor the timing of grant expenditures, especially as they relate to the period of availability of grant funds. If either the grant activities or grant expenditures reflect that HCDE will not accomplish the grant activities during the grant period, the **Grant Manager and Business Office** shall work collaboratively to develop an action plan to ensure that the federal grant goals are met. The oversight of grant activities and expenditures shall include, but not be limited to, the following:

- Cost overruns or high unit costs
- Construction projects – certification of project completeness (as evidenced by the AIA)

- Significant developments that may result in an inability to complete the grant activities

HCDE shall maintain documentation to support all grant expenditures and provide the documentation upon request to the department's external auditors, granting agency or other oversight agency, as appropriate.

Auditing findings or deficiencies shall be addressed in a timely manner upon receipt of the notification. The **business office, human resources and grant management staff** shall work collaboratively to develop and implement a Corrective Action Plan to resolve the findings or deficiencies. The **Superintendent**, or designee, shall approve the Corrective Action Plan and monitor the timely implementation of corrective strategies.

HCDE shall disclose to the granting agency if any federal grant funds have been subject to fraud to HCDE staff and/or contractors (vendors). Corrective actions, as appropriate, shall be implemented to remedy the loss of grant funds due to fraud.

#### Remedies for Non-Compliance

HCDE may be subject to consequences due to non-compliance with federal regulations. HCDE shall strive to maintain compliance, but shall respond appropriately to all notifications of non-compliance from the federal granting agency or pass-through agency (TEA).

#### Grant Closeout Procedures

HCDE shall submit all grant closeout documents to the granting agency or pass-through agency, as appropriate. Grant closeout procedures shall include, but not be limited to:

- Ensure that no obligations are made after the grant period end date
- Liquidate all obligations incurred during the grant period
- Submit the final grant program performance report, if any
- Submit the final grant expenditure report, if any
- Drawdown all the expended grant funds (reimbursement request) – Match the grant expenditure draw-downs with the finance general ledger
- Certify that the final drawdown of federal grant funds are accurate (Certification)
- Refund any excess grant funds, interest, or other payables to the granting agency or pass-through agency
- Account for any real and/or personal property on hand at the end of the grant period

### **902.9 Grant Awards**

**List of Grant Awards (including Grant Manager, grant funding source, grant period, and grant amount]**



**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2017**

(1) Federal Grantor/ Pass Through Grantor/Program Title	(2) Federal CFDA Number	(2A) Pass Through Entity Identifying Number	(3) Federal Expenditures and Indirect Costs	(4) Passed Through to Others
<b>U. S. Department of Agriculture</b>				
<b>Passed Through Texas Department of Agriculture:</b>				
<i>Child and Adult Care Food Program</i>	10.558	TX-1010326	\$ 289,308	
<i>Child and Adult Care Food Program</i>	10.558	TX-1010326	369,523	
<b>Total U. S. Department of Agriculture</b>			<u>658,831</u>	<u>-</u>
<b>National Aeronautics and Space Administration</b>				
<b>Passed Through Universities Space and Research</b>				
<b>Association (USRA):</b>				
<i>URSA Earth &amp; Space Science Trainer Program</i>	43.001	NNX12AC7AG	5,825	
<b>Total National Aeronautics and Space Administration</b>			<u>5,825</u>	<u>-</u>
<b>U. S. Department of Education</b>				
<b>Passed Through Houston-Galveston Area Council:</b>				
<i>Adult Education Basic Grants to States - Regular</i>	84.002A	212-16	214,400	
<i>Adult Education Basic Grants to States - Regular</i>	84.002A	212-17	2,533,308	
<i>Youth Demonstration Project</i>	84.002A	212-17	87,273	
<i>Adult Education Basic Grants to States - English Literacy</i>				
& Civics Education	84.002A	212-16	30,021	
<i>Adult Education Basic Grants to States - English</i>				
Literacy & Civics Education	84.002A	212-17	216,676	
<b>Total Passed Through Houston-Galveston Area Council</b>			<u>3,081,678</u>	<u>-</u>
<b>Passed Through Education Service Center Region VI</b>				
<i>Adult Basic Education (ABE) Federal</i>	84.002A	215-16	2,353	
<i>Adult Basic Education (ABE) Federal</i>	84.002A	215-17	3,012	
<b>Total Passed Through Education Service Center Region VI</b>			<u>5,365</u>	<u>-</u>
<b>Passed Through Texas Workforce Commission</b>				
<i>AEL Site-Based Workplace Literacy Project</i>	84.002A	2816AEL005	205,324	
<b>Total Passed Through Texas Workforce Commission</b>			<u>205,324</u>	<u>-</u>
<b>Passed Through Texas Education Agency:</b>				
<i>21st Century Community Learning Centers</i>	84.287C	176950197110013	2,063,419	1,820,967
<i>21st Century Community Learning Centers</i>	84.287C	186950197110013	13,163	
<i>21st Century Community Learning Centers</i>	84.287C	176950247110015	1,617,929	1,415,912
<i>21st Century Community Learning Centers</i>	84.287C	186950247110015	12,776	
<b>Total Passed Through Texas Education Agency</b>			<u>3,707,287</u>	<u>3,236,879</u>




**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**  
**FOR THE YEAR ENDED AUGUST 31, 2017**

(1)	(2)	(2A)	(3)	
Federal Grantor/ Pass Through Grantor/Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures and Indirect Costs	Passed Through to Others
Passed Through The Ohio State University:				
<i>Transition to Teaching Program - National</i>	84.350C	U350C110001	\$ 57,500	
<b>Total Passed Through The Ohio State University</b>			<u>57,500</u>	<u>-</u>
<b>Total U.S. Department of Education</b>			<u>7,057,154</u>	<u>3,236,879</u>
<b>U.S. Department of Health and Human Services</b>				
<b>Passed Through Houston-Galveston Area Council:</b>				
<i>Temporary Assistance for Needy Families (TANF)*</i>	93.558	212-16	23,465	
<i>Temporary Assistance for Needy Families (TANF)*</i>	93.558	212-17	171,167	
<b>Total Passed Through Houston-Galveston Area Council:</b>			<u>194,632</u>	<u>-</u>
<b>Passed Through Gulf Coast Workforce Solutions Board:</b>				
<i>Child Care Mandatory and Matching Funds of the</i>				
<i>Child Care and Development Fund</i>	93.596	2816CCMC24	504,388	10
<i>Child Care Mandatory and Matching Funds of the</i>				
<i>Child Care and Development Fund</i>	93.596	2817CCMC24	915,204	620,326
<b>Total Passed Through Gulf Coast Workforce Solutions Board</b>			<u>1,419,592</u>	<u>620,336</u>
<b>Direct:</b>				
<i>Head Start</i>	93.600	06CH7177/02	4,490,550	
<i>Head Start</i>	93.600	06CH7177/03	7,587,917	
<i>Early Head Start/Child Care Partnership</i>	93.600	06HP0028/01	5,544	
<i>Early Head Start/Child Care Partnership</i>	93.600	06HP0028/02	1,943,181	
<b>Total Direct CFDA Number 93.600</b>			<u>14,027,192</u>	<u>-</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>15,641,416</u>	<u>620,336</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 23,363,226</u>	<u>\$ 3,857,215</u>

### Forms, Exhibits & Procedures

<b>Forms</b>	<b>Page #</b>	<b>Procedures</b>	<b>Page #</b>
Confidentiality Agreement		End of Month Procedures	
Journal Voucher Form		Fixed Asset Procedures	
Responsible Use Form (RUG)		Internal Control Procedures	
Sample Staff FTE Report		Purchasing Procedures	
Conflict of Interest Form for budget managers		Adding/Renewing Vendors Procedures	
Local Government Officer Conflict of Interest Form		Contract Management Procedures	
Lobbying Certification Form LLL		Timekeeping Procedures	
Vendor Application Form/Package		Accounts Payable Procedures	
IRS Form W-9		Travel Guidelines & Procedures	
Conflict of Interest Questionnaire		Cash Management Procedures	
Felony Conviction Form			
Fingerprinting Form – Vendors			
Contract Review Checklist			
Allowability/Allocability Costs Worksheet			
Supplemental Duties Job Description and Pay Notice			
Summary of Employee Benefits			
Teacher Hiring Schedule			
Mid-Point Pay Scale			
Personnel Requisition Form			
Personnel Recommendation Form			
Stipend & Extra Duty Pay Scale			
Semi-Annual Certification of Time and Effort			
Time & Effort Worksheet			
Travel Authorization/Settlement Form			
Petty Cash Voucher/Payment Authorization			
Procurement Card Transaction Report			

	<b>ACCOUNTING PROCEDURES</b> HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <i>CH Local</i>
DATE DEVELOPED: 06-02-08		REVISED DATE: 01-12-19
SUBJECT: <b>HCDE Contract and Grant Monitoring and Compliance Procedures</b>		

<b>HCDE Procedures</b> <b>For contract monitoring and compliance</b>
---

### Source of Policy

- CH Legal and Chapter 44 of the Texas Education Code
- CH Local Board Policies
- Financial Guidelines

### Required Documents


- Copy of contract as approved by the Board or the Superintendent

### Performed by Superintendent:

1. Implement an organizational structure and assign functions to the executive team.
2. Assign and evaluate job descriptions to include contract management for their respective functions in each of the job descriptions of each member of Executive Team.
3. Assign the Assistant Superintendent for Business the development of a contract management system and internal controls in the department and assign the authority to enforce the requirement of internal controls by program directors across the department for contract management.

### Performed by Administrator in Charge

1. Receive assignment of contract management via the job description and via his or her function in the department within the organizational structure.
2. Implement an annual evaluation of the function, its related contract management responsibilities and internal controls with the organizational structure.
3. Implement a contract management system and internal controls for all program functions under the oversight of the administrator.


	<p style="text-align: center;"><b>ACCOUNTING PROCEDURES</b></p> <p style="text-align: center;">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p> <p><i>CH Local</i></p>
DATE DEVELOPED: 06-02-08		REVISED DATE: 01-12-19
SUBJECT: <b>HCDE Contract and Grant Monitoring and Compliance Procedures</b>		

4. Receive annual training on financial guidelines to include procurement policies and procedures by Purchasing Office and the Compliance Office.
5. Authorized personnel on contracts are as follows: Superintendent or Assistant Supt for Business

For consultant contracts: function authority approval by


- ➔ Superintendent
- ➔ Assistant Superintendent for Business

6. Review the contract requirements.
7. Submit requests for purchases prior to commencing work or receiving goods. All purchases must be made via a duly authorized purchase order as per local policy (CH Legal and CH Local).
8. Check the coding of expenditures to make sure that the FASRG is followed.
9. Follow this principle: No funds, no purchase order, unless pre-approved by the Asst. Supt for Business.
10. Implement procedures to make sure requirements are met
11. Prepare an electronic requisition to encumber the contract and get purchase order from the Procurement Department.
12. Submit receiving report and invoice and reference the purchase order number under the contract at least 7 days before the payment is due.
13. Submit required documentation: (1) a request from the administrator certifying that HCDE receive value for services (ok to pay); (2) attach original or copy of invoices, (3) make sure funds are available in budget code; and (4) get proper approvals from supervisor(s). Note: original invoices must be sent to Accounts Payable by vendor.
14. Seek approvals as required (immediate supervisor and or Senior Level Management).
15. Follow up with Accounts Payable to make sure that payment is made on time within the contract timelines.

	<p align="center"><b>ACCOUNTING PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p> <p><i>CH Local</i></p>
<p>DATE DEVELOPED: 06-02-08 <span style="float: right;">REVISED DATE: 01-12-19</span></p>		
<p><b>SUBJECT: HCDE Contract and Grant Monitoring and Compliance Procedures</b></p>		

16. Request inquiry access to efinance Module from Technology Support Services via online using efinance access form.
17. Verify the efinance system to check payments made to the prospective vendor and the status of encumbrances.
18. Follow up on timeline of contract renewal at least three months prior to expiration and meet with Procurement Staff to initiate the purchasing process and contract renewal process.
19. Utilize the *certification form* for the purpose of certifying that all regulations and procedures have been followed before submitting a report to the agency, grant contracts (contract processing form) or application and-or requesting a signature from the Superintendent.
20. Adhere to the state or 2 CFR 200 federal guidelines for record retention for grant documents.
21. Failure to adhere to established guidelines may lead to disciplinary action in accordance with HCDE Personnel Policies and Procedures.

For questions regarding any of these procedures, call the Business Office or send an email to Chief Accounting Officer or Assistant Supt for Business.

	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:  <i>CH Local</i>
DATE DEVELOPED: 06-02-08		REVISED DATE: 01-12-19
SUBJECT: <b>HCDE Contract and Grant Monitoring and Compliance Procedures</b>		

<h2>HCDE Procedures</h2> <h3>For grant monitoring and compliance</h3>
---

#### Source of Policy


- CH Legal
- Texas Education Code
- Texas Education Agency –FASRG, Commissioner's Rules
- CH Local Board Policies
- Financial Guidelines

#### Required Documents

- Copy of **grant agreement** as approved by the Board or the State agency, federal agency or non-profit group.

#### Performed by Administrator in Charge

1. Receive annual training on financial guidelines to include procurement policies and procedures and grant guidelines by the Business Office.
2. Review the grant requirements.
3. Implement procedures to make sure grant requirements are met.
4. Follow the purchasing policies and procedures and contract monitoring procedures.
5. Coordinate efforts with other divisions and campuses to achieve the grant mission and include activity in the Division Accountability Objectives.
6. Maintain a grant file with proper documentation as required by 2 CFR 200 for federal funds and the Financial Guidelines for state and local funds.
7. Prepare regulatory reports as required by the grant agreement, the awarding agency (i.e TEA), the Superintendent and or the public through (Texas Open Meetings Act -TOMA) and open records requests.

	<p align="center"><b>ACCOUNTING PROCEDURES</b></p> <p align="center">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p> <p><i>CH Local</i></p>
<p>DATE DEVELOPED: 06-02-08</p>		<p>REVISED DATE: 01-12-19</p>
<p><b>SUBJECT: HCDE Contract and Grant Monitoring and Compliance Procedures</b></p>		

8. Seek approvals as required (immediate supervisor and or Senior Level Management) for grant expenditures.
9. Follow up with Accounts Payable Dept. to make sure that payments are made on time and within the grant timelines.
10. Request inquiry access to efinance Module from Technology Support Services via the online efinance request form.
11. Access the efinance system to check payments made to the prospective vendors and the status of encumbrances.
12. Follow up on timeline of grant renewal at least three months prior to expiration of grant and meet with Resource Development and Financial Management Staff to initiate the grant application and grant renewal process.
13. Utilize the certification Form for the purpose of certifying that all regulations and procedures have been followed before submitting a report to the agency, grant contract (contract processing form) or application and-or requesting a signature from the Superintendent.
14. Adhere to the state or 2 CFR 200 federal guidelines for record retention for grant records.
15. Failure to adhere to established guidelines may lead to disciplinary action in accordance with HCDE Personnel Policies and Procedures.

For questions regarding any of these procedures, call the Business Office or send an email to Chief Accounting Officer or Assistant Supt for Business.



## ACCOUNTING PROCEDURES

HARRIS COUNTY DEPARTMENT OF EDUCATION

Reference:

*CH Local*

DATE DEVELOPED: 06-02-08

REVISED DATE: 01-12-19

SUBJECT: **HCDE Contract and Grant Monitoring and Compliance Procedures**

### HCDE Procedures for Grant Accountant

Communicate at all times with division program director

A. Record any adjustments to clear beginning of the year receivables and deferred accounts.

1. Review all accounts for assets and liabilities
2. Review revenue and expenditure accounts to check for proper postings.
3. Review distributions to determine that payroll is appropriately posted for authorized personnel.
4. Maintain a grant file to include:
  - a. NOGA, Budget and Amendments
  - b. Drawdowns
  - c. Program Reports
  - d. Spreadsheets
  - e. Communication and other docs
5. Review requisitions, check coding and budget availability, compliance and allowability of costs
6. Run expenditures and prepare spreadsheet to determine monthly drawdown, get approval and then submit drawdown as required
7. Prepare financial statements as required and assist in preparation of year end reports.
8. Prepare required reports for program and divisions as needed, (i.e. SF 425, Cash Reports or certification reports).
9. Follow up with cash account and reconciliation to determine that cash was received.

B. Review year general ledger accounts for receivables and deferred to determine year end schedules

10. Update the SEFA report and provide to the Chief Accounting Officer

For questions regarding any of these procedures, call the Business Office or send an email to Chief Accounting Officer or Assistant Supt for Business.



Federal Grant/Contract Salary Reporting  
**100% Time and Effort (T&E) Certification**

**DIVISION:** \_\_\_\_\_

**FEDERAL GRANT AWARD TITLE:** \_\_\_\_\_

\_\_\_\_\_  
**AWARD GRANT PERIOD**

\_\_\_\_\_  
**NOGA ID #**

**PROCEDURE:**

- a. Responsibility for timely completion of this form, submission of forms to the payroll office, and retention of this information lies with the division.
- b. T&E Certification must be completed following the close of each six months based on grant/ contract period.
- c. T&E reporting must be kept on file in the division along with grant/contract records.
- d. Following completion of the grant period, T&E records must be retained according to program specifications.

**By authority of 2 CFR 200, Cost Principles for State, Local and Indian Tribal Governments, the purpose of this Certification is to provide reasonable assurance that work performed is commensurate with salary charged to the grant/contract budget.**

**(1) EMPLOYEE STATEMENT** I, \_\_\_\_\_,  
understand and certify that 100% of my duties and responsibilities are performed for the grant.

Signature/Date: \_\_\_\_\_


Position: \_\_\_\_\_

**OR**

**(2) SUPERVISOR STATEMENT** I, \_\_\_\_\_,  
supervise \_\_\_\_\_ and I certify that 100% of his/her duties and responsibilities are performed for the grant.

Signature/Date: \_\_\_\_\_

Position: \_\_\_\_\_

	<p><b>RESOURCE DEVELOPMENT PROCEDURES</b></p> <p><b>HARRIS COUNTY DEPARTMENT OF EDUCATION</b></p>	Reference:
EFFECTIVE DATE: February 1, 2010		
REVISED DATE: May 5, 2015		
SUBJECT: <b>Employee Annual Giving Program</b>		

HCDE, as a tax-exempt agency, receives contributions/donations from individuals, businesses, and community-based organizations, including HCDE employees. HCDE established the GIVING FUND to offer HCDE employees the opportunity to contribute to HCDE divisions in an effort to enhance or support existing initiatives.

Each employee working at least 20 hours per week wishing to contribute to the fund will complete an election form at the beginning of each year or at the time of new hire. (Refer to form below.) The employee can select an annual or semi-monthly contribution to the fund. The employee can also select up to two divisions/programs they would like to support with the monies they contribute. The employee will submit the form to the Human Resources division.

Human Resources will input the post-tax contribution into the Payroll/HR computer system and maintain a log for annual account reconciliation.

HR will provide a monthly log of contributions to Center for Grants Development (CGD). CGD will include reported contributions on the Donation/Sponsor Report presented to the board at each meeting. (Refer to Acceptance of Donation/Sponsorship procedures.) If an employee wishes to remain anonymous, the amount, not their name, will be listed on the report.

CGD will also prepare and send an acknowledgement letter to the employee donor that is signed by the County School Superintendent. One-time annual contributions will receive a letter as they occur. Semi-monthly contributions will receive an acknowledgement letter by January 31<sup>st</sup> of the following year. The letters will be sent to the employee using interoffice mail.

## HCDE EMPLOYEE ANNUAL GIVING FUND Election Form

☐ I would like to make a post-tax contribution totaling \$\_\_\_\_\_ for the current school year to the HCDE Employee Annual Giving Fund. I authorize Harris County Department of Education to take my contribution as a payroll deduction upon receipt of this election.

☐ Each pay period at a rate of \$\_\_\_\_\_; minimum of \$1 per pay period.

☐ One payment at the beginning of the school year for \$\_\_\_\_\_.

Select program(s) - (no more than two) - for support:

- |  |  |
|--|--|
| <input type="checkbox"/> Adult Education                       | <input type="checkbox"/> TLC – Early Childhood Winter Conference |
| <input type="checkbox"/> Alternative Educator Certification    | <input type="checkbox"/> TLC – Mathematics                       |
| <input type="checkbox"/> CASE for Kids                         | <input type="checkbox"/> TLC – Scholastic Art and Writing Awards |
| <input type="checkbox"/> Center for Safe and Secure Schools    | <input type="checkbox"/> TLC – Science                           |
| <input type="checkbox"/> Digital Education and Innovation      | <input type="checkbox"/> TLC – Social Studies                    |
| <input type="checkbox"/> Education Foundation of Harris County | <input type="checkbox"/> Special Schools                         |
| <input type="checkbox"/> Head Start/Early Head Start           | <input type="checkbox"/> Therapy Services                        |
| <input type="checkbox"/> TLC – Bilingual                       |  |
| <input type="checkbox"/> TLC – Digital Learning                | <input type="checkbox"/> Other: Specify _____                    |

Please specify how you would like to designate the funds as to the identified division's goals:

☐ Restricted Funds [(identify specific purpose(s)) \_\_\_\_\_] (Refer to list on back page)

☐ Unrestricted (any public purpose)

*Thank you for your generosity.*

\_\_\_\_\_  
Printed Name (*First, Middle Initial, Last*)

\_\_\_\_\_  
Signature/Date

\_\_\_\_\_  
Employee ID Number

☐ I wish to remain anonymous.

HCDE, as a political subdivision of the state, is considered a charitable organization. All donations are tax-deductible to the fullest extent allowed by IRS law.

**Return this form to Human Resources.**

File:

## List of Suggested Purposes by Division

<b>Division</b>	<b>Purpose</b>
Adult Education	GED Test Fees, mobile labs, incentives for student retention, classroom tech upgrades
Alternative Educator Certification	Online teacher certification courses, online learning instructor, textbooks, presenter fees, program coordinator, part-time secretary, marketing expenses
Center for Safe and Secure Schools	Administrative staff person; Teen CERT scholarships; food and water donations for Teen CERT drills
CASE for Kids	Kids' Days; special events; service projects and professional development for AmeriCorps members
Education Foundation of Harris County	EcoBot, Energy City; operations
Head Start/Early Head Start	Reading mentor project; Sheffield Center lease operations; Tidwell Center relocation; Family Day; The Arts Show
TLC – Bilingual TLC – Digital Learning  TLC – Early Childhood Winter/Summer Conferences  TLC – English/Language Arts TLC – Mathematics  TLC – The Scholastic Art and Writing Awards  TLC – Science  TLC – Social Studies	6+1 Spanish Traits training Professional development for online teachers; online course design; curriculum materials for online training modules Conference expenses (facility, speakers, food, participant tote bags); workshop expenses for special education workshops and speakers series Columbia University Teacher College registration fees Development of STAAR practice questions; financial literacy initiative Imprint publication; student travel awards; Community Partnership Awards Workshop series using children's literature to teach science concepts Presenter fees; workshop supplies
Special Schools	Vocational training; credit recovery; extra duty pay; school store incentives; drug intervention programs; Autism Centers; school bus; communication and transitional devices
Therapy Services	Stipends for OT and PT students, incentives for mentors, therapeutic resources for children in need; development of tools/resources for school-based OT's and PT's

Updated by Center for Grants Development

## **GUIDELINES FOR CONTRIBUTION USE**


Funds are designed to support the division's current operations with the option to enhance programs while maintaining the total budget. These funds should reflect one-time, not long-term commitments, such as creating division positions.

### **Acceptable Use of Employee Contributions:**

- Support existing program budget
- Implement pilot projects
- Client travel to award ceremonies
- Project materials and supplies
- Student educational excursions
- Contractual agreements for project implementation
- Refreshments for program participants

### **Non-acceptable Use of Employee Contributions:**

- Expansion of division/program budget
- Entertainment
- Personal services
- Personal purchases
- Items for personal birthday, anniversary or retirement parties
- Gift cards

	<p style="text-align: center;">Center for Grants Development Procedures</p> <p style="text-align: center;">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p>
EFFECTIVE DATE: May 2005		REVISED DATE: July 6, 2018
<p><b>SUBJECT: PROPOSAL DEVELOPMENT FOR PUBLIC FUNDING APPLICATIONS</b></p>		

- HCDE division director is notified of public funding opportunity by Center for Grants Development via weekly e-blast highlighting relevant announcements by division.
- HCDE program division director decides to move forward with a public funding application to establish a new program, enhance or expand existing services
  - Division Director/program staff meets with their ELT member to obtain the ET member's approval to initiate the Grant Feasibility Review process
  - Once approved by the relevant ELT member, the division notifies the Center for Grants Development Director
- Once the signed ELT Item is sent to CGD, the following occurs:

#### **ORGANIZATIONAL ASSESSMENT**

- **Conduct a Grant Feasibility Review**
  - When the division expresses interest in the funding opportunity and obtains their Executive Leadership Team (ELT) member's approval to move forward, Center for Grants Development's Director will assess the organization's/division's likelihood of meeting the requirements of the RFP. The CGD Director will determine if a Grant Feasibility Review is necessary.
  - If HCDE is considered an eligible organization and meets the capacity requirements of the RFP, the CGD Director/project lead will meet with the interested division to discuss how the division and the conceptual framework of the proposed project meets the requirements of the RFP.
  - CGD Director will document the discussions based on the following questions:
    - Purpose and goals of the RFP tie closely to HCDE's mission statement? Purpose and goals of the RFP tie closely with division vision and goals?
    - HCDE's organization type(s) is listed as eligible for funding?
    - Review of previous grantees reflects that HCDE is a good candidate for funding?
    - HCDE/Division is the best possible lead for the grant project?
    - Prospective project clients are eligible beneficiaries of the funding?
    - Proposed project meets priorities identified for extra points?
    - HCDE's already has relevant collaborative relationships that can assist in the implementation of the project and leveraging of dollars for the project (if applicable)?
    - Division has the human and financial (match) resources to administer the grant project in a timely and effective manner?
    - Proposed project meets requirement for identified evaluator (if applicable)?
    - Proposed project design is in alignment with the funds available? Project design includes only allowable costs?
- Center for Grants Development Director forwards the funding guidance and Grant Feasibility Review to Executive Leadership Team for their decision on whether or not to proceed with preparing the proposal for submission.

- If ELT approves moving forward with the application/proposal, then CGD Director will assign a CGD project lead for the proposal development process.

## **PREPARATION**

### **■ Create Request for Proposal (RFP) Overview\***

- Center for Grants Development project lead will create overview including the following common contents:
  - Purpose of funding
  - Average and maximum amounts
  - Deadline
  - Eligibility requirements
  - Restrictions
  - Special requirements – programmatic, budgetary, reporting
  - Background of project

*\*Note:* May use existing funding announcement if content covers these elements. One may use a combined overview for multiple requests, if relevant. (If so, note on checklist.) On each overview, include statement “I have read and understand that I \_\_\_\_\_ will be responsible for grants administration, including program and financial management, and reporting as specified in the funding announcement if the grant is awarded.” Include a signature line at bottom of page for both the director and proposed project supervisor.

### **■ Prepare Preliminary Budget Breakdown**

- Using the Request for Proposal (RFP) scoring structure and overview, CGD lead will prepare preliminary breakdown of budget costs for service delivery, evaluation and indirect costs using an Excel worksheet which is provided to division staff for completion.

### **■ Prepare Proposal Outline**

- CGD lead will use the RFP evaluation criteria, checklist, standard application forms, and/or RFP Table of Contents to prepare the proposal outline.

### **Generate Proposal Checklist\***

- CGD lead will use RFP and other guidelines to construct a proposal development and submission checklist. The checklist will include any table of contents, required attachments, submission requirements, signatures, etc.

*\*Note:* Consider using funding announcement/guidance if it provides a detailed checklist or if you find that deadline prohibits completion of the tasks. You may use a combined overview/outline/ checklist for multiple requests.

## **PROPOSAL DEVELOPMENT STRATEGY**

### **■ Determine and Compile Proposal Development Team**

- CGD Manager and/or CGD Project Lead, and Division Director/Executive Leadership Team member (as applicable) will determine members of the team based on complexity of the project and collaborative structure
- Required skills may include, but are not limited to:
  - Budget and Finance
  - Program Plan and Design

- Proposal Review and Edit
    - Human Resources
    - Evaluation
    - Facility Management
    - Technology
    - Division Leadership
  - The team will define those members who must meet regularly and those who will function as resources.
  - **Conduct Proposal Development Team Meetings**
    - CGD will prepare Meeting Agenda that covers overview, preliminary budget breakdown and outline to assess team's capacity to complete the proposal in the timeframe allowed.
- \*Note:* Send all members of the team a copy of the RFP, Frequently Asked Questions, prepared overview and preliminary budget breakdown.
- Creation of the proposal development strategy with activities, responsibilities and deadlines
    - Needs/problem statement
    - Program design development – goals, objectives, strategies, tasks, etc.
    - Evaluation plan
    - Budget and budget narrative
    - Graphics plan – cover sheet, maps, charts, tabs (if applicable)
    - Collaborative partnerships – letters of commitment
    - Submission requirements – formatting, binding and mailing or electronic submission
- \*Note:* Proposal development strategy is derived from the Request for Proposal or funder guidelines.
- Assignments of activities based on roles
    - Division leadership and staff – content and program design experts
    - Human Resources – personnel and policies experts
    - Business Services – budgetary experts
    - Research and Evaluation – project evaluation plan experts
    - Center for Grants Development staff – compilation and review of attachments, narrative, budget, and appendices to ensure that content links within each section; review and revise narrative based on RFP guidance to ensure that the funder's questions are answered; edit and revise narrative for formatting, grammatical and spelling accuracy; compile and submit proposal by deadline.
- \* Note:* CGD Project Lead and other CGD staff may also write or rewrite sections of the proposal; prepare the budget narrative; create attachments; etc. to ensure that it meets the requirements of the RFP. This will occur in conjunction with the division point person as a support to the proposal development project.
- Performance of brainstorming activities during multiple meetings to:
    - Identify client need for the project
    - Create project vision, philosophies, beliefs, assumptions, and priorities, if relevant
    - Identify project partners
    - Create project goals and measurable objectives
    - Conceptualize project design, management plan and budget (Logic Model)
    - Develop evaluation and dissemination plan
    - Create sustainability plan
- \*Note:* When evaluation planning required by RFP, involve Research and Evaluation Institute from the beginning of the project, ensuring that they are involved in objectives, project design and measurements.



- Creation of Request for Information (RFI)/letter of commitment for district and/or community partners, if applicable.
  - CGD Project Lead will prepare a Request for Information that is adapted from the prospective grantor's Request for Proposal and includes the district/campus and/or community-based organization's information necessary to complete the proposal.
  - CGD Project Lead will prepare a letter of commitment template for collaborative partners which will briefly describe the organization and identify what the organization will offer to the project, as a cost and/or as in-kind contributions
- CGD Project Lead will send proposal outline/template plus RFP guidelines to team members assigned to proposal sections.
- CGD Project Lead will create meeting summaries and send to meeting participants. Meeting summaries should reflect the elements above plus next steps described during the meeting and any assignments accepted.
- Develop Proposal Development Timeline – ***critical to completion of project***
  - As a result of these meetings, CGD Project Lead and division director/program staff will develop proposal development timeline which will define action steps plus persons responsible for completing them with identified dates (refer to sample project timelines). A timeline is created working back from a minimum of two (2) days prior to the actual deadline to allow for tracking of the submitted document once it is mailed overnight or submitted online.

*Note: Submission of proposals (online or mail) must occur during working hours (7:00 – 4:30 pm - this ensures access to authorized officials for online signatures when necessary).*

- Implement Proposal Development Strategy – as proposal project is implemented, CGD Project Lead will use the original timeline to track completed items as they occur (**deadline dates are not to change during the process**). CGD Project Lead will note the date of completion and by whom under the activity/task column in blue type. CGD Project Lead will distribute the updated timeline to project participants throughout the project, at a minimum once a week.
- **Task Assignment and Completion**
  - CGD Project Lead completes their assigned tasks and facilitates and ensures the completion of other proposal development team member tasks.
    - Division – program design narrative sections and line-item budget\*, logic model development, letters of commitment from identified partners\*
    - Finance – budget review/narrative sections\*
    - Human Resources – personnel schedules for line-item budget
    - Research and Evaluation Institute – formative and summative evaluation plan
    - Center for Grants Development – management, project personnel and organizational capacity sections

\* Task assignment takes into consideration team member expertise and accessibility.

- CGD Project Lead will host team meetings and maintain communication with team members as updates become available. CGD Project Lead will prepare meeting summaries after each team meeting, specifying next steps and those responsible.
- **Conduct District/Community-Based Organization Information Session, if collaborative project**

- CGD Project Lead and division host an information session for prospective partners/collaborators, if applicable.
  - CGD Project Lead prepares and mails an invitation letter addressed to Organization's Authorizing Official (District Superintendents; CEO/Presidents of nonprofits; etc) and cc: division organization contacts. HCDE's County Schools Superintendent signs the letter.
  - CGD Project Lead prepares and presents the RFP overview, collaborative strategy and Request for Information or letter of commitment template. The RFI informs collaborators of information needed from them to submit the proposal. The collaborative strategy is created in conjunction with the relevant HCDE division prior to the meeting. This may include a model for the narrative plus strategy for how all can collaborate with roles and responsibilities.

*\*Note:* it is imperative that the team considers the requirements of the RFP, including project design and budgetary restrictions when selecting collaborators. Having the strategy fleshed out prior to meeting with the collaborators limits misconceptions as to collaborator roles in the project.

- Division presents overview of services linking them to their capacity to administer the proposed project and describes the preliminary strategy based on the requirements of the RFP.
- CGD Project Lead asks contacts to submit authorized approval (letter of intent) for participation in the proposal within 72 hours of notification, i.e. identified campuses, number of eligible/targeted participants, etc.
- Collaborators submit RFI/letter of commitment to CGD within approximately 2 weeks of the session, if not required sooner.

## **ADMINISTRATIVE REVIEWS AND APPROVALS**

### **■ Public and Private Funding – Approval and Distribution Procedures**

All public and private funding requests (new and continuation) require prior approval from the Executive Leadership Team including the Superintendent and prior approval or ratification after submission from HCDE board. **(Refer to [HCDE Board Policy CB Local](#))**

*Public and private funding may include, but is not limited to, federal, state and local grants, private and corporate foundations, and formal commitments to perform services.*

- Complete reviews by Center for Grants Development, Executive Team, Business Services, Facilities, Human Resources, Technology, and Assistant Superintendent as relevant to the request.
- During preliminary proposal planning, the CGD Director and/or division Director coordinating submission of the proposal presents the draft plan for Executive Leadership Team consideration and approval.
  - As the preliminary project design is developed and prior to submission of the proposal, the division director/project coordinator will present relevant sections of the proposal to Business Services, Human Resources, Technology, Facilities, and Assistant Superintendent for their input and approval.
    - Business Services – including budget (Excel budget worksheet) and budget narrative, maintenance of effort and indirect cost
    - Human Resources – personnel strategy and proposed job descriptions
    - Technology – use of technology and personnel, equipment and supply needs
    - Facilities – anticipated office space needs, staffing plan and support needs
    - Assistant Superintendent – proposed program design and budget and HCDE contributions (requires use of tax revenues?), if any.

- Proposal Development team reviews and edits the narrative sections of the proposal individually and as a whole as they are completed. CGD Project Lead asks that the division have two or more of their staff review the proposal before it is submitted to others for review, including CGD staff.
- Proposal Development team may include, but is not limited to, division director and staff, division supervisor, Center for Grants Development, Technology, Facilities, Business Services, Human Resources and Assistant Superintendent.
- The complexity of the proposal and potential impact of the grant on the organization determines the involvement of the team members. For instance, initial applications for CASE for Kids and Head Start required meetings that included all aforementioned participant divisions.
- In addition to the roles during the proposal development process, Center for Grants Development will conduct a proposal review and comment and report findings to the team prior to submission of the grant. IGS must have sufficient time to conduct a full review or at least three days prior to the deadline – this is referenced in the development of the timeline.
- In case the deadline of submission of a *continuation* grant conflicts with timing for a proposal review, the deadline takes precedence.
- If this were to occur, the director of the division submitting the proposal must continue through the initial three steps.
- A competitive application will require full proposal review and edits prior to submission.
- **Compile and Submit Completed Proposal**
  - CGD Project Lead requests and compiles the necessary supporting documentation for the Attachment or Appendices sections of the proposal.
  - Common supporting documentation
    - Resumes/vitae
    - Job descriptions
    - Evaluation reports
    - Financial statements/audit – Comprehensive Annual Financial Report; Popular Annual Financial Report
    - Organizational and project management charts
    - Service location maps
    - Board lists
  - CGD Project Lead compiles revised narrative sections and line-item budget plus supporting documentation in what is called a “dummy.” Blank pages are placed to demonstrate missing pieces.
  - CGD Project Lead fills out “grant-related forms” such as the SF424 – Application for Federal Assistance, SF524A&B-Non-Construction Budget, Assurances and Certifications, and other required forms (Budget based on project line-item budget). State funding agencies also have forms that require completion and signatures.
  - CGD Project Lead obtains the signature of an authorized individual, HCDE County School Superintendent or Board President. Staff will ensure that all required forms are submitted in

the requested format (e.g. three original dated signatures in blue ink) (Refer to [HCDE Board Policy CB Local](#))

- CGD Project Lead completes and acquires signatures on any grant-required supplements, such as the Table of Contents, abstract or executive summary, GEPA 427 Equitable Access, etc.
- CGD Project Lead compiles final original document for review by team, including page numbers. CGD Project Lead staff will inform reviewers of any limitations, such as formatting, space, etc. CGD Project Lead staff will make revisions until which time they must compile the proposal for submission. Any revisions that arrive after this timeframe will not be included in the proposal.
- CGD Project Lead compiles final original narrative document plus attachments or appendices. CGD Project Lead reviews RFP guidelines to ensure that required formatting is addressed, such as margins, page limits, spacing, page numbers, and font size.
- CGD Project Lead reviews proposal checklist to ensure that all supporting documents are enclosed in the order they are requested, such as those listed above under “Common Supporting Documentation”.
- If mailed, CGD makes required number of copies with one hard-copy and one scanned version for division distribution. CGD Secretary will complete page numbers and required copies.

*Note:* CGD Project Lead must ensure that a final original to copy review is conducted prior to submission – this includes all documents submitted in any format (hard copy; online; CD; etc.).

- CGD Project Lead submits the original proposal including attachments and other required items plus copies for receipt a minimum of two days prior to deadline date. If online application, CGD Project Lead or designated authorized official clicks the required button.

*Note: Submission of proposals (online or mail) must occur during working hours (7:00 – 4:30 p.m.).*

### **SUBMISSION CONFIRMATION**

- To ensure receipt, CGD Project Lead submits the proposal a minimum of two days in advance using an overnight mail service or online system. For online applications, the receipt is typically immediate. For overnight mail submission, the CGD Secretary will track online to ensure receipt of the proposal within the required timeline. If not received by afternoon, a second mailing is made. If funding entity is within driving distance, CGD or other HCDE staff will transport the application. On rare and discouraged occasions, transportation for submission on the deadline date may be necessary.
- The CGD Secretary maintains copies of mail carrier receipts and/or tracking forms that are saved as PDFs within project folder.
- CGD Secretary creates/scans and emails PDF of each submitted proposal – (cover to backing) to CGD Project Lead who saves the proposal within the shared earth folder - CGD
- CGD Project Lead e-mails a copy of the proposal in PDF and MS Word (when requested) to division director/project point person.

- CGD Project Lead saves the file on an earth drive under Submitted Proposals for Executive Leadership Team access. CGD Director sends an email monthly to Executive Leadership Team with a list of proposals they can access that were submitted during the previous month.

#### ■ **Obtain Board Approval or Ratification**

- CGD Project Lead or division director prepares and submits draft agenda item for approval or ratification of grants submission via AgendaQuick Program by required deadline date. It is recommended that items are entered shortly after submission of proposal.

*Note:* Division director should only prepare board agenda item when they are submitting the proposal on their own behalf. In all other cases, CGD Project Lead submits the board agenda item.

- For ratification of grant submissions, CGD Project Lead/Division Director chooses Grant Submission as the Item on 1<sup>st</sup> page of the agenda item; then chooses “Information Item”. For those grants requiring board approval prior to submission, choose “Non-Consensus” then “Approval.”
- Division Director/CGD Project Lead attaches supporting documentation in the order below as a **PDF** to action/information item for the monthly board agenda as follows:
  - Copy of the summary budget and detailed personnel budget, if applicable
  - Copy of the signed cover page
  - Executive summary or abstract
- The pending board agenda items are forwarded to Director of Center for Grants Development for review and approval via AgendaQuick program (Board Agenda Submission System).
- Within 48 hours, Director of Center for Grants Development will review and make any necessary changes to the item to ensure placement on the board agenda.
- On the board date, the CGD Director and relevant Division Director are available to answer questions from the HCDE board of trustees for their approval/ratification, when applicable.

#### **IF AWARDED**

County School Superintendent, Assistant Superintendent of Business Services and Division Project Director receives a Notice of Grant Award (NOGA); Grant Award Notification (GAN); or letter of award. Superintendent’s Office forwards award notification to CGD Director and division contact.

CGD Director will work with CGD Project Lead to prepare required organization and grantor next steps instruction and send via email.

If needed, CGD Director will coordinate a meeting with awarded division to discuss the next steps required to ensure compliance with organizational processes and grant objectives/ requirements.



# Harris County Department of Education Donation/Sponsorship Receipt

<b>Date</b>																						
<b>Donor/Sponsor Name</b> (As you would like to appear on all printed material)																						
<b>Company and Title</b> (If applicable)																						
<b>Address</b>																						
<b>City, State and Zip</b>																						
<b>Phone   Email</b>																						
	<input type="checkbox"/> I wish to remain anonymous.																					
<b>Type of Donation/Sponsorship</b>	<input type="checkbox"/> Cash <input type="checkbox"/> Merchandise/In-Kind (describe below)																					
<b>Description</b>																						
<b>Fair Market Value</b> <u>Donations:</u> Harris County Department of Education (HCDE) does not place a value on donations; that is the privilege and responsibility of the donor. <u>Corporate Sponsorships:</u> HCDE will let sponsors know the value of goods and services received, when applicable.	<input type="checkbox"/> Donation <input type="checkbox"/> Sponsorship \$ _____ \$ _____																					
<b>Designation Program</b>	<table border="0"><tr><td><input type="checkbox"/> Adult Education</td><td><input type="checkbox"/> Records Management</td></tr><tr><td><input type="checkbox"/> Area 1 Head Start</td><td><input type="checkbox"/> Research and Evaluation Institute</td></tr><tr><td><input type="checkbox"/> Business Services</td><td><input type="checkbox"/> School-based Therapy Service</td></tr><tr><td><input type="checkbox"/> CASE for Kids</td><td><input type="checkbox"/> Schools: Academic and Behavior East</td></tr><tr><td><input type="checkbox"/> Center for Grants Development</td><td><input type="checkbox"/> Schools: Academic and Behavior West</td></tr><tr><td><input type="checkbox"/> Center for Safe &amp; Secure Schools</td><td><input type="checkbox"/> Schools: Highpoint East</td></tr><tr><td><input type="checkbox"/> Choice Partners</td><td><input type="checkbox"/> Schools: Fortis Academy High School</td></tr><tr><td><input type="checkbox"/> Educator Certification &amp; Advancement</td><td><input type="checkbox"/> Teaching and Learning Center</td></tr><tr><td><input type="checkbox"/> Human Resources</td><td><input type="checkbox"/> Technology Support Services</td></tr><tr><td><input type="checkbox"/> Purchasing</td><td><input type="checkbox"/> Other _____</td></tr></table>		<input type="checkbox"/> Adult Education	<input type="checkbox"/> Records Management	<input type="checkbox"/> Area 1 Head Start	<input type="checkbox"/> Research and Evaluation Institute	<input type="checkbox"/> Business Services	<input type="checkbox"/> School-based Therapy Service	<input type="checkbox"/> CASE for Kids	<input type="checkbox"/> Schools: Academic and Behavior East	<input type="checkbox"/> Center for Grants Development	<input type="checkbox"/> Schools: Academic and Behavior West	<input type="checkbox"/> Center for Safe & Secure Schools	<input type="checkbox"/> Schools: Highpoint East	<input type="checkbox"/> Choice Partners	<input type="checkbox"/> Schools: Fortis Academy High School	<input type="checkbox"/> Educator Certification & Advancement	<input type="checkbox"/> Teaching and Learning Center	<input type="checkbox"/> Human Resources	<input type="checkbox"/> Technology Support Services	<input type="checkbox"/> Purchasing	<input type="checkbox"/> Other _____
<input type="checkbox"/> Adult Education	<input type="checkbox"/> Records Management																					
<input type="checkbox"/> Area 1 Head Start	<input type="checkbox"/> Research and Evaluation Institute																					
<input type="checkbox"/> Business Services	<input type="checkbox"/> School-based Therapy Service																					
<input type="checkbox"/> CASE for Kids	<input type="checkbox"/> Schools: Academic and Behavior East																					
<input type="checkbox"/> Center for Grants Development	<input type="checkbox"/> Schools: Academic and Behavior West																					
<input type="checkbox"/> Center for Safe & Secure Schools	<input type="checkbox"/> Schools: Highpoint East																					
<input type="checkbox"/> Choice Partners	<input type="checkbox"/> Schools: Fortis Academy High School																					
<input type="checkbox"/> Educator Certification & Advancement	<input type="checkbox"/> Teaching and Learning Center																					
<input type="checkbox"/> Human Resources	<input type="checkbox"/> Technology Support Services																					
<input type="checkbox"/> Purchasing	<input type="checkbox"/> Other _____																					
<b>Special Restrictions</b>																						

*Thank you for your generous support!*

HCDE Use Only

	<p align="center"><b>RESOURCE DEVELOPMENT PROCEDURES</b></p> <p align="center"><b>HARRIS COUNTY DEPARTMENT OF EDUCATION</b></p>	<p>Reference:</p>
<p>EFFECTIVE DATE: July 26, 2005 <span style="float: right;">REVISED DATE: July 6, 2018</span></p>		
<p>SUBJECT: Acceptance of Donations/Sponsorships</p>		

**Purpose:** To implement a donor/sponsor-relations initiative that encompasses the effective acknowledgement and stewardship of donors/sponsors; and internal record-keeping and communication processes that meet HCDE policy.

**Donation** is defined as the act of giving to a fund or cause, or a gift or grant. HCDE defines a donation as any cash or in-kind gift a division or program of HCDE receives that benefits HCDE and/or its clients or students.

**Sponsorship** is defined as when a corporation pays for all or some of the costs associated with a project or program in exchange for recognition.


**Goals:**

- Adhere to HCDE Policy that requires that the Board is notified of all donations
- Provide donors/sponsors with documentation of contribution
- Acknowledge donors/sponsors in a timely manner
- Recognize donors/sponsors in the manner appropriate to their level of contribution
- Eliminate duplicate requests to the same donor/sponsor


**Before a donation/sponsorship is accepted,** the person receiving the contribution on behalf of HCDE and/or its clients must ensure that steps 1 through 3 are completed as follows. Steps 4 and 5 must occur within five working days of receipt of the gift. Steps 6 and 7 will occur prior to the next board meeting after receipt of the gift.

**Step 1:** Donor/staff complete a Donation Receipt form which includes date, donor/sponsor name, address, telephone number, email, descriptions of the items donated, their value and what program area they are supporting. (Refer to Donation/Sponsor Receipt Form). Donor/sponsor may specify on the form if they wish their donation anonymous.  
Note: Staff may also use the Donation Receipt form found on the portal at <http://hcdeportal>. If used, make a copy for division files and send original to Center for Grants Development division.

**Step 2:** When donor completes form, have donor return form to HCDE staff – person accepting gift.

- Step 3:** HCDE staff sends Donation/Sponsor Receipt form to Center for Grants Development (CGD). If more than one donation, staff will compile all in one batch and send to CGD.
- Step 4:** As receipts are received, CGD prepares and mails acknowledgement letters signed by the HCDE Superintendent to the donor/sponsor.
- Step 5:** CGD uses the information on the forms to prepare and maintain an Excel worksheet, reporting monthly donor/sponsor activity.
- Step 6:** CGD director sends the prepared monthly donation/sponsor report to HCDE divisions for their review and approval.
- Step 7:** CGD director creates a board agenda item (information item) via the Board Agenda Submission System attaching the monthly donation/sponsor report for board review.
- Step 8:** CGD director sends the donation/sponsor report to Business Services to include in their report to the board.
- Step 9:** CGD coordinates with relevant divisions and Communications and Public Information on donor stewardship activities.
- Step 10:** CGD staff uses the forms to maintain donor/sponsor information by division.
- 



	<p style="text-align: center;"><b>CENTER FOR GRANTS DEVELOPMENT PROCEDURES</b></p> <p style="text-align: center;"><b>HARRIS COUNTY DEPARTMENT OF EDUCATION</b></p>	<p>Reference:</p>
<p>EFFECTIVE DATE: July 26, 2005 <span style="float: right;">REVISED DATE: July 2, 2018</span></p>		
<p>SUBJECT: Commitment of Resources and Grant Submissions</p>		

**All forms of commitment\* including grant submissions (new and continuation) require**

1. Prior approval from the Executive Leadership Team member including Superintendent and
2. Prior approval of the HCDE Board, when feasible or
3. Ratification after submission by the HCDE board.

\*Commitments may include, but are not limited to, those with universities, governmental entities, grantors, school districts, for-profit, not-for-profit, non-profit, community- and faith-based organizations and the Education Foundation of Harris County.

**Commitments that generate revenues and/or provide in-kind support of HCDE resources through participation in an initiative or grant may be reflected in two forms:**

1. Written agreements; or
2. Verbal promises.

**Grants submissions may include, but are not limited to,**

1. Federal grants;
2. State grants;
3. Local grants; and
4. Private and corporate foundation grants.

## ***PROCEDURE***

Divisions are responsible for submitting proposed commitments to their Executive Leadership Team Member in an effort to acquire Executive Leadership Team approval. Division will ensure that relevant Executive Leadership Team, Business Services, Human Resources and Technology complete reviews occur, as appropriate. Division will obtain Executive Leadership Team Member approval and the Superintendent or designee's signature on relevant documentation prior to committing HCDE resources.

### **A. Commitment of Resources**

1. During preliminary planning, the division Director coordinating plans to commit to an initiative:

- a. Presents a draft plan including 1) a final overview of the proposed commitment(s); and 2) associated in-kind contributions with a breakdown of costs; and
  - b. Obtains Executive Leadership Team member approval.
2. If a division plans to commit HCDE resources **in support of another organization's initiative/grant**, they must prepare and send the following to their ELT member:
  - a. draft letter of commitment; **or**
  - b. draft memorandum of agreement/understanding **plus** associated costs/matches

Note: These documents are prepared in such a way as to share with the public. Division may choose to have CGD to review their documentation and forward to Superintendent's office for signature.

3. Division directors provide letters of commitment/MOU's; and budget information to ELT member for review. Division will acquire County School Superintendent or his designee's signature and maintain signed letter/MOU in its records.

Note: MOU's may require processing via Purchasing for placement on the board agenda and to acquire relevant signatures.

4. Division directors need to be prepared to answer questions as to whether additional personnel and/or space are needed; and if a match is required/requested.
5. Divisions will prepare supporting documentation for levels of communication - Connections newsletter, information items and action items.

## **B. Grant Submissions (Refer to [CB Local](#))**

Center for Grants Development (CGD) will present **prospective grant submissions (new and continuation)** to Executive Leadership Team (ELT) and other relevant divisions for approval. Divisions preparing proposals on their division's behalf will submit required information to CGD to acquire ELT approval.

1. CGD Director will work with division to acquire ELT member approvals to proceed with grant submission.
  - a. Division director will acquire approval from their supervisor to begin the review and full ELT member approval process
  - b. CGD will create an email with a table reflecting proposed grant submission; space - yes/no; personnel - yes/no; and match - yes/no embedded in the message (Refer to attached email format).
  - c. Prior to submitting grant submission for ELT approval, CGD director and division director and relevant staff will meet to conduct a Grant Feasibility Review. These are conducted when a division is considering pursuing a public grant proposal of any amount or foundation proposal over \$25,000.

- d. CGD will attach the division-submitted ELT item, RFP or funding guidance, Grant Feasibility Review and other relevant information to aforementioned email.
  - e. CGD will use Outlook email options (yes; no) as responses from ELT members; division contacts are also included to receive the responses as they occur.
  - f. CGD director will notify the division of Executive Leadership Team's determination regarding proceeding with grant submission.
2. As the preliminary project design is developed and prior to submission of the proposal, the division director/project lead will present relevant sections of the proposal to the following for their input and approval.
- a. **Business Services** - including budget and budget narrative, maintenance of effort and indirect cost
  - b. **Human Resources** - personnel strategy and proposed job descriptions
  - c. **Technology** - use of technology and personnel, and supply needs
  - d. **Facilities** - anticipated office space needs, staffing plan and support needs
  - e. **Assistant Superintendent** - proposed program design and budget and HCDE contributions (requires use of tax revenues?), if any.
3. The division director and CDG project lead will coordinate the Proposal Development team reviews and edits. The team will review the narrative sections of the proposal individually and as a whole as they are completed. Proposal Development team may include, but is not limited to,
- ♦ division director and staff
  - ♦ division supervisor
  - ♦ Center for Grants Development
  - ♦ Research and Evaluation
  - ♦ Technology
  - ♦ Facilities
  - ♦ Business Services
  - ♦ Human Resources
  - ♦ Assistant Superintendent

Note: Responsibility for completion of review process lies with the division submitting the proposal.

The complexity of the proposal and potential impact of the grant on the organization determines the involvement of the team members. For instance, initial applications for Head Start and Early Childhood Intervention required meetings that included all aforementioned participant divisions.

4. In most cases, CGD staff leads the proposal development process. In other cases when the divisions propose to submit themselves, then the division Director or designee provides a copy of the proposal for Center for Grants Development staff review **at least one week** prior to submission.

5. CGD will conduct a proposal review and comment and report the findings to the division director/project lead prior to submission of the grant.
  - ♦ In the case that the deadline of submission of a continuation grant conflicts with timing for a proposal review, the deadline takes precedence.
  - ♦ If this were to occur, the director submitting the proposal must continue through Steps I, II AND III.
6. Obtain Board Approval or Ratification of Grant Submissions – Information Items
  - a. Shortly after submission, divisions who prepare their own proposals (new or continuation) will submit a final copy of the proposal to Director of CGD so CGD staff can create board agenda item.
  - b. CGD project lead prepares and submits draft agenda item form for ratification of grants submission (as information item) via Board Agenda Submission System (BASS) by required deadline date. It is recommended that CGD project lead submit the items shortly after submission of proposal for grant ratification. (Refer to sample agenda item)

Note: Resolutions requiring board approval are submitted in advance of grant submission in order to ensure that they are signed by the board president and included in grant application.

  - c. CGD staff will attach supporting documentation in the order below as a **PDF** to action/information item for the monthly board agenda as follows:
    - ♦ Copy of the cover page with signature of authorizing official
    - ♦ Copy of the project budget summary
    - ♦ Executive summary or abstract (pages from proposal including this information)
  - d. The pending board agenda item is forwarded to Director of Center for Grants Development for approval via BASS.
  - e. Within 48 hours, Director of Center for Grants Development will review and make any necessary changes before approval. CGD director will note the changes in the comment section of the item, print out the agenda page and PDF. These documents will be scanned and sent to staff for future use. CGD director will approve/disapprove the item within the required timeframe.
  - f. On board date, the CGD Director and relevant Division Director are available to answer questions of the HCDE board of trustees.
7. Distribute Submitted Proposals
  - a. CGD Director will ensure that the final signed PDF version of the proposal provided by the division is distributed to the following:
    - County School Superintendent
    - Assistant Superintendents (3)
    - Chief Information Officer
    - Executive Director, Human Resources
    - Director, Communications and Public Information

Special Assistant to the Superintendent

b. CGD Director will save the PDF within two shared drives - CGD division drive for centralized filing; and a drive that shares all proposals with Executive Leadership Team. CGD director will email the "HCDE Submitted Proposals" link to the ELT distribution list, highlighting recently added proposals.


Email Template  
Executive Team Item  
Request for Consideration and Decision

Executive Team:

I am presenting on behalf of (division/program), the following proposal submission for Executive Team consideration and decision. I have attached the (announcement, program guidelines, information item, Grant Feasibility Review, etc.) for your review. If interested, you can locate a link on the (announcement letter, RFA, RFP, etc.) that takes you to all supporting documents on the (grantor) website.

<b>Grant Submission</b>	<b>New/Renewal</b>	<b>Match Required* - Yes/No</b>	<b>Addt Space Needed - Yes/No</b>	<b>Addt Personnel Needed</b>
(Division) - proposal to (grantor) to implement (grant title)				

Please click on the 'yes" or "no" links above. If you have any questions, please contact division director at email@hcde-texas.org.

	<p style="text-align: center;"><b>CENTER FOR GRANTS DEVELOPMENT PROCEDURES</b></p> <p style="text-align: center;"><b>HARRIS COUNTY DEPARTMENT OF EDUCATION</b></p>	<p>Reference:</p>
<p>EFFECTIVE DATE: October 3, 2006</p>		<p>REVISED DATE: July 6, 2018</p>
<p><b>SUBJECT: Proposal Development Procedures for Private Funding Proposals</b></p>		

Center for Grants Development (CGD) works directly with nine HCDE external service divisions\* to develop fund development plans for the solicitation of private foundations. The plan covers suggested/current program initiatives; chart of division's expressed needs for funding; potential fund development strategies; and chart of foundation prospects by division.

\* Divisions include Adult Education, CASE for Kids, Center for Safe and Secure Schools, Educator Certification and Advancement, Head Start, Research and Evaluation Institute, Schools, School-based Therapy Services, and Teaching and Learning Center. Throughout the year, CGD may identify funding relevant to other divisions and will work with those divisions to pursue.

CGD reviews the list of foundation prospects for HCDE pursuit with Executive Leadership Team and President/CEO of the Education Foundation of Harris County (EFHC) to eliminate duplicate requests for funding unless allowable by private foundation. CGD obtains approval from divisions for the plan and HCDE Executive Leadership Team before moving forward with the HCDE division and EFHC on proposals. This occurs with the initial foundation solicitation listing/plan and subsequently with new identified private funding opportunities as they occur.

Those requests exceeding **\$25,000** will require approval by relevant Executive Leadership Team member. The submission of this approval to CGD Director will generate a Grant Feasibility Review as described below.

### **ORGANIZATIONAL ASSESSMENT – REQUIRED FOR REQUESTS OVER \$25,000**

#### **■ Conduct a Grant Feasibility Review**

- When the division or CGD staff obtains their ELT member's approval to move forward, CGD Director will assess the organization's/division's likelihood of meeting the requirements of the funding guidance.
- If EFHC/HCDE is considered an eligible organization and meets the capacity requirements of the guidance, CGD Director and CGD Project Lead will meet with the division to discuss how the division and the conceptual framework of the proposed project meets the requirements of the funder.
- CGD Director and division staff will document team deliberations based on the following questions:
  - Purpose and goals of the private foundation tie closely to EFHC/HCDE's mission statement? Purpose and goals of the guidance tie closely with division vision and goals?
  - EFHC's organization type is listed as eligible for funding?

- Review of previous grantees reflects that EFHC/HCDE is a good candidate for funding?
- EFHC/HCDE Division is the best possible lead for the grant project?
- Prospective project clients are eligible beneficiaries of the funding?
- EFHC/HCDE already has relevant collaborative relationships that can assist in the implementation of the project and leveraging of dollars for the project (if applicable)?
- Division has the human and financial (match) resources to administer the grant project in a timely and effective manner?
- Proposed project meets requirement for identified evaluator (if applicable)?
- Proposed project design is in alignment with the funds available? Project design includes only allowable costs?
- Division can sustain the project after the funding ends?
- Center for Grants Development Director forwards the ELT member the signed ELT information item, Grant Feasibility Review and funding guidance, when available, to Executive Leadership Team for their decision on whether or not to proceed with preparing the proposal for submission.

## **PREPARATION**

- **Obtain Foundation Guidelines**
  - Center for Grants Development (CGD) will use existing foundation guidelines for preparation of the proposal. When available, CGD will research the foundation's website and IRS 990 form to determine types of projects the foundation typically funds; the average grant amount by organization type; and application process.
  - If the guidelines are unavailable via customary channels such as directories or websites, CGD will contact the foundation for assistance (if available). Staff preparing proposals is encouraged to contact the foundation directly to inquire about the types of projects the foundation typically funds and the recommended dollar amount for the proposal.
  - If guidelines and contact are unavailable, then CGD will create proposals based on acceptable guidelines for a letter or foundation proposal.
- **Prepare Proposal Outline**
  - CGD will use the foundation guidelines\*\* and/or application forms to prepare the proposal outline.

\*\*Note: May not be necessary if guidelines provide a detailed outline/checklist. CGD may use a combined outline for multiple requests if similar requests to varied private foundations.

- **Obtain and/or Prepare Program Description**
  - Division will share with CGD the program description including goals, objectives, activities, and evaluation plan

CGD works with each division and the EFHC to prepare and submit proposals according to guidelines available. EFHC will handle foundation relations, reporting and stewardship activities, in conjunction with HCDE divisions, when appropriate. Some HCDE divisions have existing projects that are fully designed, requiring less work by the division or CGD. CGD will use that existing information to prepare proposals, when available.



## **PROPOSAL DEVELOPMENT STRATEGY**

- **Compile Proposal Development and Review Team**
  - Although foundation proposals are usually less complex than government grants, CGD and the division director may still need to establish a proposal development team for new or larger projects. Division director and CGD Director/staff will determine members of the team based on complexity of the project.
    - Required skills may include, but are not limited to,
      - Budget and Finance
      - Division Leadership
      - Human Resources
      - Evaluation
      - Facility Management
      - Program Plan, Design and Implementation
      - Proposal Review and Edit
      - Technology
  - The team will define those members who must meet regularly and those who are available as resources – always include division leadership and designated dedicated division staff on the team.
- **Conduct Proposal Development Team Meetings, when necessary**
  - Team reviews foundation guidelines and proposed project and how it aligns with foundation giving.
  - Team will make assignments based on roles and relevance
    - Education Foundation of Harris County – EFHC organization information
    - Division leadership and staff – content and program design experts
    - Human Resources – personnel and policies experts
    - Business Services – budgetary experts
    - Research and Evaluation Institute – project evaluation plan
    - CGD staff – customization of proposal to meet foundation guidelines; compilation and review of attachments; narrative; budget; and appendices; submission of proposal
    - Education Foundation President/CEO, Director of CGD and Division Director – review and edit proposal based on foundation guidance to ensure that questions are fully answered.
- **Develop Proposal Development Timeline**
  - CGD and division director/program staff will develop proposal development timeline for each project which will define action steps plus persons responsible for completing them.
- **Implement Proposal Development Strategy**
  - Task Assignment and Completion:
    - CGD completes their assigned tasks and facilitates and ensures the completion of other proposal development team member tasks.
      - If new HCDE project,
        - Division – program design narrative sections and line-item budget, letters of commitment from identified partners\*
        - Finance – budget review/narrative sections\*

- Human Resources – personnel schedules for line-item budget\*
- Center for Grants Development – management, project personnel and organizational capacity sections\*

\* Task assignment takes into consideration team member expertise and accessibility.

Assignments are only provided when necessary to complete the proposal.

- CGD staff host team meetings and maintain communication with team members as updates become available.

## **ADMINISTRATIVE AND PARTNER REVIEW**

### **Private Funding – Approval and Distribution Procedures**

All private funding requests (new and continuation) require prior approval from the Executive Team including the Superintendent and prior approval or ratification after submission from HCDE board.

- Complete reviews by Center for Grants Development, Executive Leadership Team\*\*\*, Business Services\*\*\*, Facilities\*\*\*, Human Resources\*\*\*, Technology\*\*\*, and Assistant Superintendent as relevant to the request

\*\*\* If the project is new or expanded or will impact the organization's infrastructure.

- Prior to submission of the proposal and if the project is large enough to impact the organization, the division director/project coordinator or CGD will present relevant sections of the proposal to Business Services, Human Resources, Technology, Facilities, and Assistant Superintendent for their input and approval.
  - Business Services – including budget and budget narrative, maintenance of effort/match and indirect costs
  - Human Resources – personnel strategy and proposed job descriptions
  - Technology – use of technology and personnel, and supply needs
  - Facilities – anticipated office space needs, staffing plan and support needs
  - Assistant Superintendent – proposed program design and budget and HCDE contributions (requires use of tax revenues?), if any.
- Proposal Development team reviews and edits the proposal as it is completed.
- Proposal Development team may include, but is not limited to, division director and staff, division supervisor and Center for Grants Development.

## **FINAL COMPLETED PROPOSAL**

### **Compile and Submit Completed Proposal**

- CGD prepares the final narrative with requested attachments. If online, documents may require uploading or typing directly into the grantor's online system. If so, print out narrative for review. Ask others to review the application on the webpage as well.
- CGD requests and compiles the necessary supporting documentation for the Attachment or Appendices sections of the proposal.
  - *Common supporting documentation*
    - 501(c)(3) Letter of Determination; proof of tax-exempt status
    - List of current board members
    - Most recently audited financial statements
    - IRS Form 990
    - Current organizational budget

- CGD obtains the signature of an authorized individual, President and CEO of the Education Foundation or County School Superintendent, when necessary.
- CGD compiles final original narrative document plus attachments or appendices. CGD reviews guidelines to ensure that required formatting is addressed, if applicable.
- CGD reviews guidelines to ensure that all supporting documents are enclosed in the order they are requested, such as those listed above under “*Common Supporting Documentation*”.
- Development Coordinator provides an electronic copy of the final proposal to the division and to the Education Foundation, when appropriate. If online submission, print an original, then provide copies as specified to division and Education Foundation, preferably electronically.
- If applicable, CGD submits the original proposal and copies for receipt by deadline date. CGD or Education Foundation will send proposal by certified mail, hand delivery or online delivery, whichever is allowable.
- **Notify Board of Submission**
  - As required by policy, Center for Grants Development staff prepares and submits a summary of the submitted proposal via the Board Agenda Submission System.

### **SUBMISSION CONFIRMATION**

- Fifth to seventh day after submission by mail, CGD will call or email the foundation contact to ensure receipt of the proposal even though the certified card should have been returned. If not received via mail, CGD or Education Foundation will resubmit. If online, print out, scan and save confirmation notice or save email notification of receipt in electronic folder as documentation of submission.
- The Secretary maintains copies of mail carrier receipts and/or tracking forms. CGD Project Lead saves the receipt confirmation in the respective project folders under Submission Confirmation.
- Secretary or other CGD staff creates a PDF version of each submitted proposal – cover to backing--- and saves it in the project folder.
- CGD Director will save proposals within earth folder “Recently Submitted Proposals” for distribution to Executive Leadership Team.
- CGD Director will send a monthly email notification to Executive Leadership Team, notifying them as to the proposals that were submitted that previous month with a link to the earth folder – Recently Submitted Proposals.


# Harris County Department of Education

Grant Signature Authority List
--------------------------------

[illegible]

## **Fixed Assets**

Fixed Assets are the responsibility of each division manager. Account coding is very important in determining the type of fixed asset.

	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:
DATE DEVELOPED: 05/15/2009		
REVISED DATE: 4/15/11		
SUBJECT: Fixed Assets		

### Fixed Assets-Definition

1. Personal or real property which has a unit cost of \$1,000.00 or more.
2. Lasts longer than one year (estimated useful life).
3. Retains its original shape and appearance with use.
4. Does not lose its identity through incorporation into a different or more complex unit or substance.
5. If several parts are purchased to assemble into one unit, the total unit cost determines if the item is a fixed asset. For example, 2 standards plus 2 weight bases and 1 net make up one volleyball net system. If the total cost is over \$1,000.00, then the unit is a fixed asset. When the net is replaced the following year, the expense will be charged to supplies account code.

### Responsibility

**The Budget Manager is the custodian of the fixed assets within their division.**

### Fixed Asset Recordkeeping


The Fixed Asset Listing includes all assets with a unit price equal to or over \$1,000.00 for insurance purposes. Assets with a unit cost equal to or over \$5,000.00 are capitalized and depreciated (as required by GASB 34) by the Business Services Division.

### Accounting for Fixed Assets

Items costing less than \$1,000.00 are expensed to the Supplies & Materials account code 63990000.

Assets with unit costs from \$1,000.00 to \$4,999.99 are charged to account codes 6393 (New) or 6394 (Replacement). Also use the appropriate sub-object codes.

Assets with a unit cost equal to or over \$5,000.00 are charged to 663X (New) or 664X (Replacement) accounts. A complete list of accounts is available in the Budget Planning Workbook located on the HCDE Portal under Business Services-Public Documents-Account Codes.

	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:
<div style="display: flex; justify-content: space-between;"> <span>DATE DEVELOPED: 05/15/2009</span> <span>REVISED DATE: 4/15/11</span> </div>		
SUBJECT: Fixed Assets		

### **Fixed Asset Transfers**

See accompanying instructions on the Fixed Asset Transfer Form.

### **Annual Inventory**

An annual inventory will be completed. It is the responsibility of the Asset Inventory Clerk to generate the Fixed Asset Inventory Worksheet, an inventory of assets with a unit cost of \$1,000.00 to less than \$5,000. The report is sent to the Business Office. The Business Analyst is responsible for organizing and directing the inventory during the budget process. During the budget process, the Business Analyst provides each Budget Manager with their fixed asset inventory worksheet. See attached memo from a previous year which is sent out with the inventory listing.


The Fixed Asset Inventory Worksheet of items from \$1,000.00 to \$4,999.99 is provided to each campus/division and each campus/division is responsible for locating each asset and marking the report per the instructions. Campuses/divisions will clearly mark any assets not found (missing, lost or stolen) and add to the list any asset(s) not already on the list and their fixed asset number(s). Budget Managers will return the Fixed Asset Inventory Worksheet to the Business Analyst when they are due. The Business Analyst will send all inventory worksheets to the Asset Inventory Clerk.

The Asset Inventory Clerk (Facilities Support Services) is responsible for inventorying fixed assets equal to or over \$5,000.00.

### **Auction**

Items which are no longer working or cannot be repaired and/or used by another campus/division can be sent to surplus for auction. The Fixed Assets Transfer Form must be completed and signed. Follow the instructions on the Fixed Assets Transfer Form.

Computers or computer equipment must be verified non-usable by the Technology Support Services Division before being sent to surplus for auction.

	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:
DATE DEVELOPED: 05/15/2009		
REVISED DATE: 4/15/11		
SUBJECT: Fixed Assets		

## Donations

Donations to the Department come in two forms: new items and used items. Whether new or used, each item donated to the Department must have the approval of the Superintendent. The person in the division normally responsible for purchasing fixed assets should see if the item meets the following criteria:

1. It is safe and acceptable for use by students and employees.
2. It meets the requirements of the instructional program (if applicable).
3. There is a true, justifiable need for the item.
4. The item is in good working order and is compatible with related equipment.
5. The item is within the guidelines of the Department technology plan (if applicable).
6. It meets the Department criteria for a fixed asset.


If a donation meets all of the criteria listed above, then:

Information regarding the donation should be sent to Resource Development. The procedure for accepting donations and the form to complete is on their page on the HCDE Portal.

The receiving campus/division should be willing, if requested, to ascertain the fair market value of the donation. The “fair market value” is a reasonable approximation of the market value at the time of donation and not necessarily the original price paid for the item. For equipment donations, information should also be forwarded to the asset inventory clerk so it can be added to the Fixed Asset Inventory.

Installation of permanent equipment, such as playground equipment, shelving, etc., should be coordinated with Facilities Support Services.



	<b>ACCOUNTING PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:
DATE DEVELOPED: 05/15/2009		
REVISED DATE: 4/15/11		
SUBJECT: Fixed Assets		

### Reconciliation of Fixed Assets to the General Ledger


Each month Business Services will perform a monthly reconciliation of fixed assets, greater than \$5,000, to the general ledger.

### Repair or Replacement?

The Budget Manager is responsible to determine if an item needs repair or replacement. Keep the following guideline in mind when considering an item for repair or replacement. **Fixed assets requiring repair should be evaluated to determine if it is more feasible to replace the item than to continue to repair it.**

### Stolen/Lost Items

- 1) A **police report** must be filed with the Police Department on any stolen item costing \$1,000.00 or more.
- 2) A hard copy of the police report should be sent promptly to the Facilities Support Services Executive Director.
- 3) If funds are received from the insurance coverage, these funds may be used to replace the stolen/lost item(s). Should the campus/division wish to “upgrade” the item being replaced, the campus/division will be responsible for providing the additional funds to purchase the “upgrade.”

 <div>Harris County Department of Education</div>	<div>ACCOUNTING PROCEDURES</div> <div>HARRIS COUNTY DEPARTMENT OF EDUCATION</div>	Reference:
<div>DATE DEVELOPED: 04/01/2006</div> <div>REVISED DATE: 4/15/11</div>		
<div>SUBJECT: Budgeting for Replacement Assets</div>		

Some assets (i.e., land) will last a lifetime. Others are replaced according to a replacement schedule or when the asset becomes too expensive to repair. Funds for major replacements items come out of the Reserve Fund Balance. ***Funds budgeted for replacement of assets cannot be used for any other purchase.***


The following steps will guide you in including these replacements in your proposed budget.

1. You will be given a report titled Replacement Asset Listing in your budget packet. Review the report for assets that are scheduled to be replaced during the next fiscal year. This report is generated by the computer system, based on the estimated useful life of the asset. **If you did not get the report, no assets are scheduled for replacement this year.** Call Business Analyst if you have any questions about this.
2. Evaluate the 'REPLACEMENT DATE' for each asset listed on your report. If you believe that the expected life should be increased, change the replacement date on the list by lining through the printed dated and printing the new date just above it. Business Services will review your recommendations for updating the estimated useful life for the assets you marked.

Now you can concentrate on those assets that need to be replaced during the budget process.

3. Estimate the cost of replacing an item using current price catalogs (Butler, Hallmark, Office Depot, etc.). If you are unsure of any aspect of replacing a particular item, contact Purchasing Support for assistance. For technology items, do a Helpdesk request for quotes on these items. Items should be considered individually and not in groups when using these criteria.
4. Highlight the items you wish to replace and put replacement costs into your proposed budget using the appropriate expenditure object codes.

**664X**-Replacement capital assets are identified as an item having a value of \$5,000.00 or more and an expected useful life of more than one year.

	<p style="text-align: center;"><b>ACCOUNTING PROCEDURES</b></p> <p style="text-align: center;">HARRIS COUNTY DEPARTMENT OF EDUCATION</p>	<p>Reference:</p>
<p>DATE DEVELOPED: 04/01/2006 <span style="float: right;">REVISED DATE: 4/15/11</span></p>		
<p>SUBJECT:   Budgeting for Replacement Assets</p>		

**6394**-Replacement assets having a value of \$1,000.00 or more, but less than \$5,000.00-unit cost, should use object code 6394 (Replacement) and the appropriate sub-object code.

**63990000**-All other assets (desks, file cabinets, etc.) under \$1,000.00 should be charged to general supply object code 6399.

NOTE: The 6399 account code expenditures are not offset by Reserved Fund Balance.


**HARRIS COUNTY DEPARTMENT OF EDUCATION**  
**Fixed Asset Transfer Form**

Date: \_\_\_\_\_

Please type or print legibly. Use a separate form for each item.  
 Incomplete forms will be returned for further clarification.


**Instructions:**

Facilities is responsible for physically moving assets.

If the Division is discarding a computer, Technology must wipe the hard drive before the computer is transferred to surplus for auction.

- (1)** RELEASING DIVISION fills out the ASSET INFORMATION SECTION completely.
- (2)** RELEASING DIVISION fills out the RELEASING DIVISION SECTION completely.  
 Director of RELEASING DIVISION signs the Transfer form.  
 RELEASING DIVISION sends the Transfer form to the RECEIVING DIVISION.
- (3)** RECEIVING DIVISION fills out the RECEIVING DIVISION SECTION completely.  
 Director of RECEIVING DIVISION signs the Transfer form.  
 RECEIVING DIVISION sends the Transfer form to the Asset Inventory Clerk.  
 In the case of replacement of technology items, the Technology Division requires a completed form to remove computers that are being replaced.
- (4)** The Asset Inventory Clerk will process the form and forward a copy to Facilities for moving the asset(s).
- (5)** A Facilities staff will pick up the asset(s), sign the form and return it the Asset Inventory Clerk.

<b>(1)</b>	<b>ASSET INFORMATION SECTION</b>			
Item Description:			HCDE tag #:	
Model #:		Serial #:		
Status / <b>Check One</b> :				
<input type="checkbox"/> New <input type="checkbox"/> Good <input type="checkbox"/> Worn / Poor <input type="checkbox"/> Needs Repair <input type="checkbox"/> Obsolete / Broken / Unusable				
<b>(2)</b>	<b>RELEASING DIVISION SECTION</b>			
Location (Address):			Room #:	
Division:		Director's Signature:		
<b>(3)</b>	<b>RECEIVING DIVISION SECTION</b>			
Location (Address):			Room #:	
Division:		Director's Signature:		
<b>PROPERTY TRANSFER SECTION</b>				
<b>(4) ASSET INVENTORY CLERK</b>			<b>(5) FACILITIES DIVISION</b>	
Date Posted:		Signature or Initials:		Date Transferred: Signature or Initials:

	<b>ACCESS PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference: <i>GKD Legal and Local</i>
DATE DEVELOPED: 7/1/2015		REVISED DATE: 7/1/2015
SUBJECT: Badge Access Security Procedures		

### ***Badge Access Security Procedures***

1. Badges are provided to employees to access various locations in the department. Badges are required to be worn at all times while on duty.
2. Employees who lose their badge should report to the HR Office to seek a replacement for a nominal fee (\$10.00).
3. Employees who forgot their badge at home or without a badge need to contact the front desk so that they are provided with access each time.
4. Employees shall have access to HCDE locations between the hours of 6:30 AM to 6:30 PM.
5. Employees who will leave the organization must turn in their badge to their supervisor prior to the last day of employment. This is required even if the employee is transferring or hired at another division. The access needs to be reset according to the new role; thus, it is important that access be removed from the previous division. As the new hire starts, the first action in the new division is to visit the Human Resources Division to get a new card with the role with the Supervisor's written approval to get access to physical locations and or to the various computer systems.

Below are additional guidelines regarding the access by **non-employees:**

1. **Visitors** – All visitors must obtain a Raptor (sticky) badge issued by the front desk and they must wear it each day that they are in the building. They will be escorted in the building by contacting the front desk. Temporary badges will not be created.
2. **Interns:** there must be an effective end date. Divisions should identify how long they will be in the building. There will be a picture taken and the division badge name will say **INTERN**. This includes work study student INTERNS.
3. **Consultants:** These vendors must obtain a Raptor (sticky) badge issued by the front desk and they must be worn. They will be escorted. No badges created. No exemptions made.

4. **Temporary employees:** (for a couple weeks or even filling in while someone is out on FMLA) Temporary employees must obtain a Raptor (sticky) badge issued by the front desk and they must wear it at all times. They will be escorted. No badges created
5. **Long-term Contractors:** (2 in Technology) – Vendors will be allowed to service the technology division. They must have an effective end date. Technology will identify how long they will be in the building, and provide the information to the Human Resources Office.

There will be a picture taken and the badge division name will say **CONTRACTOR**. They will have access to the elevators at Irvington only (no secure locations). The Technology Division will monitor these contractors and request that staff coming into the building have a background check cleared through the Human Resources Office prior to issuing a badge to the individual.

6. **Auditors** - Vendors who are auditors or program reviewers, or similar roles must obtain a Raptor (sticky) badge issued by the front desk and they must wear it each day that they are in the building. They will be escorted in the building by contacting the front desk. No badges created.
7. **The front desk Security Guard** will escort individuals, such as temporary staff to the elevator and use his/her badge to access the appropriate floor (and press the elevator key).
8. **Exemptions** to any guidelines must be pre-approved by the Facilities Department and coordinated through the Human Resource Office.
9. **Changes** to the guidelines will be provided to all staff and reviewed periodically and as necessary.

#### **10. Review Guidelines Committee:**

Executive Director for Facilities  
Human Resources Executive Director  
Chief Information Officer  
Asst. Supt for Business

## **Appendix**

# Harris County Department of Education

## FY 2018-2019 Budget Book

### Administrative Salary Schedule

<b><u>1</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Daily</b>	158.78	194.82	230.86
	<b>210 Days</b>	33,344	40,912	48,480
	<b>230 Days</b>	36,519	44,809	53,098
	<b>240 Days</b>	38,107	46,757	55,406
<u>Job Titles:</u> Assistant Center Manager -- Head Start Family Services Provider -- Head Start Junior Staff Accountant – Business Services				

<b><u>2</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Daily</b>	188.15	230.86	273.57
	<b>190 Days</b>	35,749	43,863	51,978
	<b>230 Days</b>	43,275	53,098	62,921
	<b>240 Days</b>	45,156	55,406	65,657
<u>Job Titles:</u> Associate – Center for Grants Development Career Pathways Transition Specialist – Adult Education Center Manager – Head Start Data Coordinator - CASE Program Coordinator -- CASE Teacher (FT) – Adult Education				



<b><u>3</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Daily</b>	222.96	273.57	324.18
	<b>190 Days</b>	42,362	51,978	61,594
	<b>230 Days</b>	51,281	62,921	74,561
	<b>240 Days</b>	53,510	65,657	77,803
	<u>Job Titles:</u> Benefits Coordinator – Human Resources Compliance Coordinator – Adult Education Compliance Coordinator – Head Start Contract Coordinator – Choice Partners Coordinator – Adult Education Coordinator – Center for Grants Development Coordinator – Client Engagement Coordinator – Communications and Creative Services Coordinator – Human Resources Coordinator – Research and Evaluation Institute Data Coordinator – Head Start Education and Special Services Coordinator -- Head Start Family and Community Coordinator – Head Start Health Services Coordinator – Head Start Human Resources Generalist Nutrition Services Coordinator – Head Start Operations Coordinator – Head Start Procurement Coordinator – Purchasing Professional Development Coordinator – Head Start Project Coordinator - CASE Records Operations Manager School Safety Specialist – Safe and Secure Schools Special Events and Promotions Coordinator – CASE Staff Accountant – Business Services			

<b><u>4</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Daily</b>	272.01	333.76	395.51
	<b>190 Days</b>	51,682	63,414	75,147
	<b>210 Days</b>	57,122	70,090	83,057
	<b>230 Days</b>	62,562	76,765	90,967
	<b>240 Days</b>	65,282	80,102	94,922
	<u>Job Titles:</u> Client Services Manager – Choice Partners Community Partnerships Manager – Head Start Compliance Manager – Head Start Contract Compliance Specialist – Choice Partners Contract Manager – Choice Partners Digital Education and Innovation Specialist Education and Special Services Manager – Head Start Grants Development Manager – Educator Certification Grants Development Specialist – Center for Grants Development Manager – Center for Grants Development Manager – Communications and Creative Services Manager – Facilities Manager – Research and Evaluation Institute Membership Manager – Client Engagement Nutrition Manager – Head Start Operations Manager – Head Start Public Information and Policy Manager Quality Manager - CASE Special Initiatives Manager – CASE			

<b><u>5</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Daily</b>	310.10	380.49	450.88
	<b>210 Days</b>	65,121	79,903	94,685
	<b>230 Days</b>	71,323	87,513	103,702
	<b>240 Days</b>	74,424	91,318	108,211
	<u>Job Titles:</u> Accounting Manager – Business Services Assistant Director – Choice Partners Assistant Director – CASE Assistant Director – Head Start Assistant Director – Head Start Child Care Partnership Assistant Director – Human Resources Assistant Director – Purchasing Assistant Principal – Schools Budget and Investment Analyst – Business Services Manager – Adult Education School Climate and Culture Specialist – Safe Schools Senior Accountant – Business Services Senior Manager of Facilities Planning – Choice Partners			

<b><u>6</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Daily</b>	362.19	433.76	505.33
	<b>200 Days</b>	72,438	86,752	101,066
	<b>240 Days</b>	86,926	104,102	121,279
<u>Job Titles:</u> Construction Director – Facilities Curriculum and Compliance Officer – Educator Certification Curriculum Director of English Language Arts Curriculum Director of Innovation Curriculum Director of Mathematics Curriculum Director of Science Curriculum Director of Special Populations Director – Records Management Director – Safe and Secure Schools Director – Teaching and Learning Center Leadership Advancement Officer – Educator Certification Maintenance Director - Facilities				

<b><u>7</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Daily</b>	412.90	494.49	576.08
	<b>230 Days</b>	94,967	113,733	132,498
	<b>240 Days</b>	99,096	118,678	138,259
<u>Job Titles:</u> Chief Accounting Officer - Business Services Director – Adult Education Director – Center for Grants Development Director – Choice Partners Director – Client Engagement Director – Communications and Creative Services Director – Center for After-school, Summer and Enrichment Director – Curriculum and Compliance Services Director – Educator Certification and Professional Advancement Director – Purchasing Director – Research and Evaluation Institute Principal – Schools				

<b><u>8</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Daily</b>	479.16	563.72	648.28
	<b>240 Days</b>	114,998	135,293	155,587
	<u>Job Titles:</u> Senior Director – Head Start Senior Director – School-Based Therapy Services Senior Director – Schools Senior Director – Teaching and Learning Center			

<b><u>9</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Daily</b>	546.24	642.64	739.04
	<b>240 Days</b>	131,098	154,234	177,370
	<u>Job Titles:</u> Chief Communications Officer Chief of Staff Executive Director - Facilities Executive Director - Human Resources			

<b><u>10</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Daily</b>	622.72	732.61	842.50
	<b>240 Days</b>	149,453	175,826	202,200
	<u>Job Titles:</u> Assistant Superintendent – Academic Support Assistant Superintendent - Business Services Assistant Superintendent – Education and Enrichment			

**Harris County Department of Education**  
**FY 2018-2019 Budget Book**  
**Professional Support Salary Schedule**

<b><u>1</u></b>		<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
	<b>Daily</b>	258.32	310.00	361.68
	<b>162 Days</b>	41,848	50,220	58,592
	<b>180 Days</b>	46,498	55,800	65,102
	<b>191 Days</b>	49,339	59,210	69,081
	<b>213 Days</b>	55,022	66,030	77,038
	<b>219 Days</b>	56,572	67,890	79,208
	<u>Job Titles:</u> Music Therapist Nurse			

<b><u>2</u></b>		<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
	<b>Daily</b>	297.11	356.50	415.89
	<b>162 Days</b>	48,132	57,753	67,374
	<b>180 Days</b>	53,480	64,170	74,860
	<b>200 Days</b>	59,422	71,300	83,178
	<b>230 Days</b>	68,335	81,995	95,655
	<u>Job Titles:</u> Behavior Intervention Specialist Licensed Specialist in School Psychology Mental Health Professional School Counselor			

<b><u>3</u></b>		<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
	<b>Daily</b>	341.64	409.98	478.32
	<b>162 Days</b>	55,346	66,417	77,488
	<b>180 Days</b>	61,495	73,796	86,098
	<b>240 Days</b>	81,994	98,395	114,797
	<u>Job Titles:</u> Occupational Therapist Physical Therapist			

<b><u>4</u></b>		<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
	<b>Daily</b>	392.88	471.48	550.08
	<b>200 Days</b>	78,576	94,296	110,016
	<b>230 Days</b>	90,362	108,440	126,518
	<b>240 Days</b>	94,291	113,155	132,019
	<u>Job Titles:</u> Manager, School-Based Therapy Services			

**Harris County Department of Education**  
FY 2018-2019 Budget Book  
Administrative Support Salary Schedule

<b><u>1</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Hourly</b>	12.33	15.42	18.51
	<b>Daily</b>	98.64	123.36	148.08
	<b>240 Days</b>	23,674	29,606	35,539
	<u>Job Titles:</u> Receptionist			

<b><u>2</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Hourly</b>	13.32	16.65	19.98
	<b>Daily</b>	106.56	133.20	159.84
	<b>210 Days</b>	22,378	27,972	33,566
	<b>240 Days</b>	25,574	31,968	38,362
	<u>Job Titles:</u> Campus Clerk			

<b><u>3</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Hourly</b>	14.77	18.46	22.15
	<b>Daily</b>	118.16	147.68	177.20
	<b>230 Days</b>	27,177	33,966	40,756
	<b>240 Days</b>	28,358	35,443	42,528
	<u>Job Titles:</u> Community Partnership Clerk – Head Start Contract Clerk – Choice Partners Customer Service Clerk Data Clerk – Adult Education General Office Clerk I Human Resources Clerk Imaging Operator – Records Management Meeting Facilitator Nutrition Services Clerk – Head Start Operations Clerk – Head Start Secretary – CASE Secretary – School-Based Therapy Services			

<b><u>4</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Hourly</b>	17.06	21.32	25.58
	<b>Daily</b>	136.48	170.56	204.64
	<b>230 Days</b>	31,390	39,229	47,067
	<b>240 Days</b>	32,755	40,934	49,114
	<u>Job Titles:</u> Benefits Assistant Data/Compliance Specialist Financial Assistant Fixed Assets Clerk Food Contract Assistant General Office Clerk II Microfilm/Imaging Clerk Records Management Specialist Secretary to Director Secretary to Principal			

<b><u>5</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Hourly</b>	19.13	23.91	28.69
	<b>Daily</b>	153.04	191.28	229.52
	<b>230 Days</b>	35,199	43,994	52,790
	<b>240 Days</b>	36,730	45,907	55,085
	<u>Job Titles:</u> Accounts Payable Specialist Accounts Receivable Specialist Administrative Assistant - Executive Director Administrative Assistant - Senior Director Contract Specialist Financial Assistant/Adm Assistant – Senior Director Payroll Specialist Purchasing Specialist Quality Assurance Specialist Senior Grant Accounting Clerk			

<b><u>6</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Hourly</b>	22.00	27.50	33.00
	<b>Daily</b>	176.00	220.00	264.00
	<b>240 Days</b>	42,240	52,800	65,360
	<u>Job Titles:</u> Executive Assistant - Assistant Superintendent Executive Assistant – Board of Trustees			

<b><u>7</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Hourly</b>	25.53	31.91	38.29
	<b>Daily</b>	204.24	255.28	306.32
	<b>162 Days</b>	33,087	41,355	49,624
	<b>180 Days</b>	36,763	45,950	55,138
	<b>240 Days</b>	49,018	61,267	73,517
	<u>Job Titles:</u> Occupational Therapy Assistant Physical Therapist Assistant Senior Executive Assistant - Superintendent			



**Harris County Department of Education**  
**FY 2018-2019 Budget Book**  
**Instructional Support Salary Schedule**

<b><u>1</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Hourly</b>	11.39	14.24	17.09
	<b>Daily</b>	91.12	113.92	136.72
	<b>190 Days</b>	17,313	21,645	25,977
	<b>191 Days</b>	17,404	21,759	26,114
	<b>Job Titles:</b> Educational Aide I - Schools Teaching Assistant - Head Start			

<b><u>2</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Hourly</b>	12.90	16.12	19.34
	<b>Daily</b>	103.20	128.96	154.72
	<b>191 Days</b>	19,711	24,631	29,552
	<b>210 Days</b>	21,672	27,082	32,491
	<b>Job Titles:</b> Educational Aide II - Schools Teacher (CDA) – Early Head Start			

<b><u>3</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Hourly</b>	14.62	18.28	21.94
	<b>Daily</b>	116.96	146.24	175.52
	<b>191 Days</b>	22,339	27,932	33,524
	<b>Job Titles:</b> Educational Aide III - Schools			

<b><u>4</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Hourly</b>	16.86	21.07	25.28
	<b>Daily</b>	134.88	168.56	202.24
	<b>210 Days</b>	28,325	35,398	42,470
	<b>218 Days</b>	29,404	36,746	44,088
	<b>Job Titles:</b> Early Childhood Teacher – Early Childhood Head Start Teacher - Head Start			

# Harris County Department of Education

## FY 2018-2019 Budget Book

### Technology Salary Schedule

<b><u>1</u></b>		<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
	<b>Daily</b>	183.12	219.30	255.48
	<b>240 Days</b>	43,949	52,632	61,315
	<u>Job Titles:</u> Help Desk Analyst I			
<b><u>2</u></b>		<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
	<b>Daily</b>	221.57	265.35	309.13
	<b>240 Days</b>	53,177	63,684	74,191
	<u>Job Titles:</u> Application Support Specialist Graphic Designer Help Desk Analyst II Multimedia Specialist			
<b><u>3</u></b>		<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
	<b>Daily</b>	276.96	331.69	386.42
	<b>240 Days</b>	66,470	79,606	92,741
	<u>Job Titles:</u> Client Technology Coordinator Infrastructure Analyst – Network Infrastructure Analyst – Server Storage Infrastructure Analyst - Systems Network Analyst System Support Specialist			
<b><u>4</u></b>		<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
	<b>Daily</b>	310.19	371.49	432.79
	<b>240 Days</b>	74,446	89,158	103,870
	<u>Job Titles:</u> Manager - Help Desk Manager - Multimedia Software Analyst Software Developer Systems Analyst			

<b><u>5</u></b>		<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
	<b>Daily</b>	363.13	427.21	491.29
	<b>240 Days</b>	87,151	102,530	117,910
	<u>Job Titles:</u> Senior Software Developer Senior Systems Analyst			

<b><u>6</u></b>		<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
	<b>Daily</b>	399.44	469.93	540.42
	<b>240 Days</b>	95,866	112,783	129,701
	<u>Job Titles:</u> Manager – Applications Manager – Operations Support			

<b><u>7</u></b>		<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
	<b>Daily</b>	449.72	516.92	584.12
	<b>240 Days</b>	107,933	124,061	140,189
	<u>Job Titles:</u> Director - Technology Support Services			

# Harris County Department of Education

## FY 2018-2019 Budget Book

### Operations Support Salary Schedule

<b><u>1</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Hourly</b>	10.38	12.98	15.58
	<b>Daily</b>	83.04	103.84	124.64
	<b>190 Days</b>	15,778	19,730	23,682
	<b>218 Days</b>	18,103	22,637	27,172
	<b>240 Days</b>	19,930	24,922	29,914
	<b>Job Titles:</b> Cook Custodian Housekeeper			
<b><u>2</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Hourly</b>	12.35	15.44	18.53
	<b>Daily</b>	98.80	123.52	148.24
	<b>191 Days</b>	18,871	23,592	28,314
	<b>230 Days</b>	22,724	28,410	34,095
	<b>240 Days</b>	23,712	29,645	35,578
	<b>Job Titles:</b> Courier Food Service Clerk Mail Clerk Parking Monitor			
<b><u>3</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Hourly</b>	14.72	18.40	22.08
	<b>Daily</b>	117.76	147.20	176.64
	<b>240 Days</b>	28,262	35,328	42,394
	<b>Job Titles:</b> Maintenance Worker Warehouseman			
<b><u>4</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Hourly</b>	17.34	21.68	26.02
	<b>Daily</b>	138.72	173.44	208.16
	<b>240 Days</b>	33,293	41,626	49,958
	<b>Job Titles:</b> Maintenance Technician I Records Center Technician			

<b><u>5</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Hourly</b>	20.62	25.78	30.94
	<b>Daily</b>	164.96	206.24	247.52
	<b>240 Days</b>	39,590	49,498	59,405
	<b>Job Titles:</b> Customer Support/Imaging Center Supervisor – Records Maintenance Technician II Transportation Technician Utility Craftsman			

<b><u>6</u></b>		<b>MINIMUM</b>	<b>MIDPOINT</b>	<b>MAXIMUM</b>
	<b>Hourly</b>	23.91	29.89	35.87
	<b>Daily</b>	191.28	239.12	286.96
	<b>240 Days</b>	45,907	57,389	68,870
	<b>Job Titles:</b> Maintenance Technician III Senior Records Center Technician			

**Harris County Department of Education**  
**FY 2018-2019 Budget Book**  
**Supplemental Salary Chart**

<b>Adult Education</b>	
Aide with High School Diploma	\$12.00/hr
Aide with 12 College Credit Hours	\$12.50/hr
Career Pathways Instructor	\$40.00/hr
Clerk	\$14.00/hr
Counselor	\$37.00/hr
Craft Instructor	\$40.00/hr
Program Assistant	\$30.00/hr
Substitute Teacher	\$22.00/hr
Substitute Tester	\$22.00/hr
Teacher-New Hire	\$24.00/hr
Teacher-After One Full Year	\$25.00/hr
Teacher-After Two Full Years	\$26.00/hr
Teacher-After Three Full Years	\$27.00/hr
Transition Specialist-New Hire	\$24.00/hr
Transition Specialist- After One Full Year	\$25.00/hr
Transition Specialist- After Two Full Years	\$26.00/hr
Transition Specialist- After Three Full Years	\$27.00/hr
<b>Head Start</b>	
Assistant Cook	\$2,000/yr
Cook Supplemental Pay	\$1.75/hr
Early Head Start Center Management	\$3,000/yr
Healthy Living Catering/Policy Council	\$2,000/yr
Substitute Teaching Assistant	\$10.40/hr
Teaching Assistant Supplemental Pay	\$1.61/hr
Translator-Policy Council	\$25.00/hr
<b>Special Schools</b>	
Administrator-Summer/Extra Duty Pay	\$27.00/hr
Bus Aide	\$12.00/hr
Bus Driver	\$500/yr
Counselor-Summer/Extra Duty Pay	\$25.00/hr
Educational Aide-Summer/Extra Duty Pay	\$15.00/hr
Home Bound Student Services	\$40/hr
Teacher-Summer/Extra Duty Pay	\$25.00/hr
Trainer Pay-Boys Town and Love & Logic	\$35.00/hr

<b>High School Student</b>	
Freshman	\$7.25/hr
Sophomore	\$7.50/hr
Junior	\$8.00/hr
Senior	\$8.50/hr
<b>College Student</b>	
Freshman	\$11.00/hr
Sophomore	\$11.50/hr
Junior	\$12.00/hr
Senior	\$12.50/hr
<b>Teaching and Learning Center</b>	
Curriculum Director	\$60.00/hr

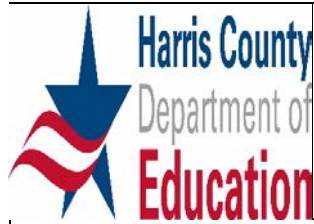
**Harris County Department of Education**  
FY 2018-2019 Budget Book  
Substitutes Pay Chart

LEVEL	POSITION	1-10 DAYS	11-24 DAYS	25+ DAYS
<b>C-1</b>	Educational Aide I	\$60/day	\$65/day	\$70/day
<b>C-2</b>	Educational Aide II	\$65/day	\$70/day	\$75/day
<b>C-3</b>	Educational Aide III	\$70/day	\$75/day	\$80/day
	Teacher (Degree Only)	\$90/day	\$100/day	\$110/day
	Teacher (TX Teacher Certificate)	\$100/day	\$120/day	\$140/day



**Harris County Department of Education**  
FY 2018-2019 Budget Book  
Substitutes Pay Chart

LEVEL	POSITION	1-10 DAYS	11-24 DAYS	25+ DAYS
<b>C-1</b>	Educational Aide I	\$60/day	\$65/day	\$70/day
<b>C-2</b>	Educational Aide II	\$65/day	\$70/day	\$75/day
<b>C-3</b>	Educational Aide III	\$70/day	\$75/day	\$80/day
	Teacher (Degree Only)	\$90/day	\$100/day	\$110/day
	Teacher (TX Teacher Certificate)	\$100/day	\$120/day	\$140/day



## PROCUREMENT PROCEDURES

HARRIS COUNTY DEPARTMENT OF  
EDUCATION

Reference:

DATE DEVELOPED: 5/15/2009

REVISED DATE:

SUBJECT: GLOSSARY OF ACCOUNTING TERMS

**Accountability** The state of being obliged to explain one's actions, to justify what one does. Accountability requires governments to answer to citizenry—to justify the raising of public resources and the purposes for which they are used.

**Accounting Procedure.** The arrangement of all processes that discover, record, and summarize financial information to produce financial statements and reports and to provide internal control.

**Accounting System.** The methods and records established to identify, assemble, analyze, classify, record, and report a government's transactions and to maintain accountability for the related assets and liabilities.

**Administrative Costs.** Costs related to the performance of executive duties, supervision, management, direction, correlation, or coordination of a function or entity.

**Allocate.** To divide a lump-sum appropriation into parts which are designated to expenditure by specific organization units and/or for specific purposes, activities, or objectives.

**Allocation.** Part of a lump-sum appropriation that is designated for expenditure by specific organization unit and/or for specific purposes, activities, or objectives.

**Appropriation (Estimated Expenditure).** An authorization (budget) granted by a legislative body, or the school board of trustees, to make expenditures and to incur obligations for special purposes—usually limited in purpose, amount, and as to the time when it may be expended.

**Audit Committee.** Group of individuals assigned specific responsibility for addressing issues related to the independent audit of the financial statements on behalf of the entity under audit.

**Blended Component Unit.** Presentation of the data of a component unit as though it were one or more fund(s) of the primary government. The Harris County Department of Education Public Facility Corporation is a blended component of Harris County Department of Education.

**Budget.** A plan of financial operation embodying an estimate or proposed expenditures for a given period and the proposed means of financing them.

**Budget Committee.** Group of individuals assigned specific responsibility for addressing issues related to the preparation of the proposed budget on behalf of the entity.

**Capital Assets.** Land, improvements to land, buildings, building improvements, vehicles, machinery, equipment, and all other tangible or intangible assets that are used in operations and that have an initial useful life extending beyond a single reporting period.

**Direct Costs/Direct Expenses.** Expenses specifically traceable to specific goods, services, units, programs, activities or functions.

**Encumbrances.** These represent commitments related to contracts not yet performed and are used to control expenditures for the year and to enhance cash management. A purchase order is issued for the purchase of goods and services to be received in the future. When an invoice is received and paid, the encumbrance is reduced or liquidated by the amount of the invoice paid. If the whole purchase order is completed, it is closed and only the expenditure paid remains on the general ledger.

**Effectiveness.** Term used by auditors to describe the degree to which an entity, program, or procedure is successful at achieving its goals and objectives.

**Efficiency.** Term used by auditors to describe the degree to which an entity, program, or procedure is successful at achieving its goals and objectives with the least use of scarce resources.

**Expenditures.** These are defined as a decrease in net financial resources. Expenditures are accounted for using the modified accrual basis of accounting. In other words, an expenditure is usually recognized in the accounting period when an item has been received and the organization becomes liable for payment of the goods or services.

**Fiduciary Responsibility.** Pertaining to the holding of something in trust; custody; care; to expect with assurance that public funds will be guarded and spent appropriately.

**Fiscal Accountability.** Responsibility of governments to justify that their actions in the current period have complied with public decisions concerning the raising and spending of public moneys in the short term-usually one year.

**Function.** Group of related activities aimed at accomplishing a major service or program for which a government is responsible.

**General Fund.** The fund used to account for all financial resources, except those to be accounted for in another fund.

**General Ledger.** A record containing the accounts needed to reflect, in summary and in detail, the financial position and the results of operations of a government.

**Governmental Accounting.** The composite activity of analyzing, recording, summarizing, reporting and interpreting the financial transactions of governmental units and agencies.

**Grants.** Contributions or gifts of cash or other assets from another government to be used or expended for a specified purpose, activity or purpose.

**Independent Auditor's report.** In the financial audit, the independent auditor's report typically will offer (or disclaim) an opinion on whether a set of financial statements is fairly presented in conformity with generally accepted accounting principles.

**Indirect Costs/Indirect Expenses.** Expenses that cannot be specifically traceable to specific goods, services, units, programs, activities or functions and so must be allocated on some systematic and rational basis.

**Internal Service Funds.** Proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments, or divisions of the primary government, on a cost-reimbursement basis.

**Interfund Transfers.** Flows of assets, such as cash, between funds and blended components of the primary government without equivalent flow of assets in return and without a requirement for repayment.

**Matching Requirement.** Requirement that a grant recipient contribute resources to a program that equal or exceed a predetermined percentage of amounts provided by the grantor.

**Materiality.** In the context of financial reporting, the notion that an omission or misstatement of accounting information is of such significance as to make it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

**Object (of expenditure).** In the context of classification of expenditures, the good purchased or the service obtained. For example: professional services 62190000, or Supplies and Materials, 63990000.

**Office of Management and Budget (OMB).** Agency of the federal government with regulatory oversight of Single Audits. They publish lists of allowable and non-allowable expenditures for federal grants.

**On-behalf Payments.** Direct payments by one entity (the paying government) to a third-party recipient for the employees of another legally separate entity (the employer government). The situation with the State that pays into the Teacher Retirement System on behalf of the employees of HCDE (and school districts, etc.) based on a percentage of gross payroll costs.

**Original Budget.** First complete appropriated budget. The original budget may be adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. The original budget should also include actual appropriation amounts automatically carried over from prior years by law.

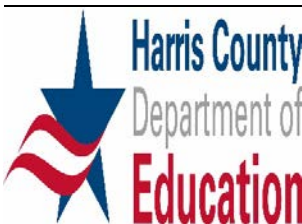
**Pass-through Grants.** Grants and other financial assistance received by a governmental entity to transfer to, or spend on behalf of, a secondary recipient.

**Program.** An organizational unit within a budget.

**Proprietary Funds.** Funds that focus on the determination of operating income, changes in net assets, financial position, and cash flows. HCDE has an internal service fund that is a proprietary fund type.

**Revenues.** These are defined as increases in current financial resources. Revenues are accounted for in a variety of revenues, including property taxes, user charges, grants, and other types of revenue. There are three major categories: Local and Intermediate Sources, State and Federal. Local revenues are property taxes collected, interest income, and other local resources. State revenues are received from the State of Texas or its agencies. Federal revenues are received from the federal government and its agencies, either directly or through the State of Texas.

**Special Revenue Fund.** A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

 <b>Harris County</b> Department of <b>Education</b>	<b>PROCUREMENT PROCEDURES</b>  HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:
DATE DEVELOPED: 5/15/2009		REVISED DATE:
SUBJECT: GLOSSARY OF PURCHASING TERMS		

**Annual Aggregate** This pertains to the total amount of purchases made within a single category of items during a twelve-month period. The state does not prescribe on what date the period starts and stops.

**As Is** an expression signifying that goods offered for sale are without warranty or guarantee. The purchaser has no recourse with the vendor for the quality or condition of the goods.

**Authorized Deviation** Permission given to a supplier authorizing production or delivery of items within stated limits other than those specified originally.

**Backorder** The undelivered part of a previous order which the vendor re-enters for shipment at a later date.

**Bid** A response to a specified request for goods or services. Usually requested for contracts exceeding an annual aggregate of \$25,000.

**Bid Bond** Bid bond guarantees an owner of property that a party bidding for a contract will, if his bid is accepted, enter into a contract and furnish performance and payment bonds for the carrying out of the work, or pay the owner the difference between the amount of his bid and that of the bid finally accepted.

**Caveat Emptor** "Let the buyer beware": The sale is at the buyer's risk.

**Caveat Venditor** "Let the seller beware": In some cases, the vendor is liable to the buyer if the goods delivered differ in kind, quality, use, and purpose from those specified in the contract of sale.

**Certified Check** A check endorsed by a bank which guarantees its payment.

**Change Order** A purchaser's document used to modify or add to a purchase order.

**Competitive Pricing Mechanism** A term used to collectively describe the various methods the state has provided to meet bidding requirements for purchases above

\$25,000. These include bids, requests for proposal, Q.I.S.V. catalogue purchases, Texas GSC contracts, Federal GSC contracts, and interlocal government contracts.

**Confirming Order** A purchase order originally placed verbally for goods or services.

**Delivery Schedule** The agreed time or rate of future deliveries of purchased goods or services.

**Discount** An amount deducted from the selling price by the vendor. It is generally applied when a purchaser meets a stipulation that reduces the cost of the goods.

**Expediting** "Follow-up" Tracing the status of an order to ensure efficient movement of goods to the Department or division in accordance with the terms of the Purchase Order.

**Express Warranty** Vendor's representations concerning the nature and use of goods, which he intends the buyer to rely on.

**GSC** In most cases this relates to the Texas General Services Commission. A federal GSC also exists and may be referenced in some contracts.

**Inventory** A stock of goods or an itemized list of a stock of goods on hand at a particular time. When ascertained by a physical count of the items it is a "physical inventory"; when determined from records maintained for routine business activities, it is a "book inventory."

**Invitation to Bid** A request made by a purchaser to prospective suppliers for their competitive price quotations on goods or services.

**Invoice** The vendor's itemized list of goods or services shipped which specifies price and terms of sale.

**Knocked Down (k.d.)** A term to indicate that the article described is delivered unassembled. When an article is shipped "k.d.", it must be reduced in size by one third or as specified in the carrier's tariff to be eligible for the applicable freight rate.

**Lump Sum** The price agreed upon between vendor and purchaser for a single job or a single purchase of merchandise in bulk.

**Manufacturer** One who produces or assembles items from raw materials or components.

**Negligence** Under a legal duty the doing or omission of some act which a reasonable, prudent person would not have done or omitted under the circumstances.

**Open Account Purchase** A purchase made by a buyer who has established credit with the seller. The transaction is charged to the purchaser's account, payment for which is to be made at some future date agreed upon by buyer and seller.

**Original Equipment Manufacturer** Seller's classification of a buyer whose purchases are incorporated into a product he manufactures, usually without changing the item that he acquires.

**Payment Bond** Payment Bond, often referred to as a Labor and Materials bond, guarantees that bills for labor and material used in the work project will be paid. This coverage is usually included automatically in the Performance Bond so no additional charge is necessary.

**Performance Bond** Performance Bond guarantees the owner that work will be completed according to the contract specifications. This is considered the key bond in a work project because the owner not only wants the work completed-usually within a specified time-but also completed according to the owner's specifications.

**Purchase** To acquire goods or services for a price.

**Purchase Order** A purchaser's formal written offer to a vendor containing all terms and conditions of a proposed transaction.

**Purchase Requisition** A formal request made to the Purchasing Department to procure goods or services from vendors.

**QISV Vendor** A "Qualified Information System Vendor" is approved by the Texas General Services Administration for the sale of computers and related components without having to use competitive bids or proposals. The vendor must have a state identification number and have a catalogue of components that can be accessed on the Internet. Quotations between several QISVs are strongly recommended to deal with market changes and quantity purchases.

**Quotation** A statement of price, terms of sale, and description of goods or services offered by a vendor to a prospective purchaser. When given in response to an inquiry, it is generally considered a sales proposal that states the current price of a commodity. For the District, it is primarily used for purchases between \$2,000 and \$25,000.

**Rebate** A form of discount in that the vendor returns, (or rebates) to a purchaser in consideration of the purchase of a specified quantity or value of goods usually within a stated interval.

**Receiving Copy** This is a receiving department document used to inform others of the receipt of purchased goods. Copies are usually distributed to the accounting department.



**Request for Proposal (RFP)** This is an alternate to the competitive bid process. The proposals are advertised and received in the same way as bids. Once opened, the District can select the best proposal and negotiate specific terms with the vendor to further lower the price or improve the contract.

**Sample** A small portion of goods taken as a specimen of quality.

**Sealed Competitive Proposal** A term coined by the state to identify proposals dealing with construction. The term sealed is used to indicate that the proposals are not to be made available for public review. In reality this proposal is no different than the standard RFP.

**Separate, Sequential, and Component Purchases** Dividing a purchase into several parts or buying parts of a system on separate orders avoid having to use competitive pricing mechanisms to purchase goods and services.

**Specification** A comprehensive and accurate statement of the technical requirements descriptive of a good or a service, and of the procedure to be followed to ascertain if the requirements are met. A federal specification is a specification established in accordance with procedures prescribed by the Federal Specification Board and approved for use by all government agencies.

**Stock** The supply of goods maintained in a stores system to satisfy anticipated demand.


**Terms of Payment** The method of payment agreed upon in a sales contract. The three basic terms are cash, open account, and secured account.

**Tracer** A request made to a carrier to trace a shipment for expediting purposes or to establish date of delivery.

**Vendor** A seller of goods or services.

**Warranty** An undertaking, either express or implied, that certain fact regarding the subject matter of a contract is as it is declared or promised to be. Not to be confused with "guarantee," which entails contractual responsibility for the substandard performance or non-performance of another party.

**Wholesaler** A purchaser who buys goods for resale to a retailer or industrial user.

	<b>PROCUREMENT PROCEDURES</b> HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference:
DATE DEVELOPED: 3/16/2006 <span style="float: right;">REVISED DATE: 3/25/2009</span>		
SUBJECT: GLOSSARY OF CONTRACT TERMS		

TERM	DEFINITION
Amendment	A change, correction or alteration.
Appropriation	An authorization to spend funds.
Assignment	Transfer by one party to a contract of some or all of the rights to another person not a party to the original contract.
Acceptance	Compliance by one party with the terms and conditions of another's offer so that a contract becomes legally binding between them.
Breach of contract	A violation or infraction, as of a law or a promise; to break an agreement.
Consideration	Something of value; money, an act or a promise.
Contract	Legal agreement; mutual understanding between two parties.
Force Majeure	Act of God; an unexpected or uncontrollable event.
<b>Interlocal Contracts or Agreements</b>	<b>HCDE may enter into Interlocal Contracts/Agreements with:</b> <ul style="list-style-type: none"> <li>• <b>Other State of Texas Local Governments</b></li> <li>• <b>State of Texas State Agencies</b></li> <li>• <b>ANY State Local Government, and</b></li> <li>• <b>ANY State Agency</b></li> </ul>
Modification	A change in the terms of the contract.
Parties to a Contract	Participants to a contractual arrangement.
Performance Bond	A bond or a cashiers check from one party of a contract that is held by the other party to the contract guaranteeing
Public Work Contract	Contract for constructing or altering or repairing a public building or carrying out or completing any public work.
Retainage	The part of the payments under a public works contract that are not required to be paid within the month after the month in which the public work labor is performed or public work material is delivered under the contract.
Severability	To cut off from the whole; dissolvable; able to separate into legally distinct rights or obligations, as a Contract.
Venue	The locality where a cause of action occurs.
Warranty	The insured's guarantee that the acts are as stated in reference to an insurance

	risk or that specified conditions will be fulfilled to keep the contract effective.
--	---