



How to do Business with HISD

Houston Independent School District

Version 2

Rev: June 6, 2017

EDGAR laws: PART 200--UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

Agency: Executive Office of the President, Office of Management and Budget

Action: Correcting amendment to continue delay of implementation date.

Summary: The Office of Management and Budget (OMB) is updating the final guidance that appeared in the Federal Register on December 26, 2013. Guidance on the effective/applicability date is revised to allow a grace period of one additional fiscal year for non-Federal entities to implement changes to their procurement policies and procedures in accordance with guidance on procurement standards. Other requirements in the section remain unchanged.

Dates: Effective date: May 17, 2017.

Implementation date: For all non-Federal entities, there is an additional one-year grace period for implementation of the procurement standards in 2 CFR 200.317 through 200.326. This means the grace period for non-Federal entities extends through December 25, 2017, and the implementation date for the procurement standards will start for fiscal years beginning on or after December 26, 2017.

Purchasing Grace Period

Houston Independent School District has elected the three-year grace period to implement the new EDGAR procurement policies and procedures. The new procurement requirements will go in effect July 1, 2018.

Beginning with the 2015-2016 school year, all TEA-administered grant awards include a supplement to the Notice of Grant Award (NOGA supplement) specifying which federal regulations apply to the grant. In regards to the procurement guidelines, since HISD has elected to take the grace period, the procurement shall be in accordance with OMB Circular A-133.



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INTRODUCTION

HISD's Procurement Services has been honored with the 2016 Achievement of Excellence in Procurement Award from the National Procurement Institute. HISD is one of a select group of school districts in the U.S. to receive this award, which recognizes excellence in the field.

Procurement Services also won the **Outstanding Agency Accreditation Achievement Award fall of 2015** from the National Institute of Governmental Purchasing, which recognizes the purchasing office as a leader in the public procurement profession. HISD's Procurement Services Department has been recognized for excellence in public procurement after a rigorous application process through the National Institute of Government Purchasing's Institute for Public Procurement.

"Our vision is to become the premier K-12 procurement platform in the nation by following a standard operating procedures and always being transparent, fair and inclusive"

The mission of the HISD Procurement Services Department is to ensure the uninterrupted flow of goods and services needed to efficiently operate the district cost effectively and to achieve the district's primary goal that is to increase student achievement.

The Procurement Services Department is responsible for facilitating the processes governed by state and federal law to ensure best practices and a level playing field as well as fair and equitable treatment for all suppliers. Through this synergistic effort, both the Supplier and HISD will benefit from working as business partners to strengthen the social and economic foundation of the district and the community at large.

The Office of Procurement Services is located in the Hattie Mae White Educational Support Center, 4400 West 18th Street, Level 2NE. You may contact us between the hours of 8 a.m. to 5 p.m., CST, Monday through Friday at 713-556.6515 or visit our procurement website at <http://www.houstonisd.org/Domain/8017>.

General information about HISD can be found in www.houstonisd.org, if you visit the Procurement Services Department website you will be able to see the project calendar, bids/CO-OP Suppliers, staff directory and other useful information. If you go to the general HISD website to be able to access our page please select "Directory," then "Procurement Services".

If you are a prospective supplier, and you want to receive a courtesy email from the District for those solicitations that are related to the type of goods/services your company offered, then register in the following link:

<http://www.houstonisd.org//cms/module/selectsurvey/TakeSurvey.aspx?SurveyID=1523>



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Your company can select as many spend categories as it applies to your type of business. The Sourcing Specialist will then send to the email address included in the registration a courtesy email letting your company know of the new solicitation process.

GENERAL PURCHASING INFORMATION

The HISD Procurement Sourcing Team is committed to working with our Supplier Community. Our role is to follow District Policies (CH (Local) & CH(Legal), and Procedures, and the Texas Educational Code under Chapter 44, section 44.031, Chapter 2269, and Chapter 2254. We use the Strategic Sourcing Process to always be fair, transparent, and inclusive. Our Goal is to select suppliers that bring the best value to our District, and those most qualified to help us achieve the District's goals, vision and objectives.

All vendors must be selected under one of the procurement methods stipulated in Chapter 44, section 44.031 of the Texas Education Code and approved by the HISD Board of Education before HISD can begin using their goods and/or services. HISD requires all vendors to have an approved procurement instrument (i.e., purchase order, term contract, blanket purchase agreement, etc.) in place prior to providing goods or services. Entering into contracts verbally or without appropriate authorization is prohibited and a violation of state law. Any vendor who delivers services or goods to HISD without a proper contract is doing so entirely at their own risk. HISD does not pay for goods or services that were provided without the benefit of a properly executed procurement contract.

Solicitation Process:

During each solicitation we want to make sure you understand our process:

1. All solicitations currently in process are in the following link: "See current bid proposals" <http://www.houstonisd.org/Page/68148>
2. Solicitations will have a pre-proposal conference that will help the vendor community understand the scope of the project before answering the solicitation.
3. Any questions you send to us regarding a specific project will be answered as an addendum to the project.
4. HISD Board of Education Policy requires all solicitations to be placed under a Code of Silence, we cannot provide an individual answer to your questions. Whatever information we do supply during the solicitation must be provided to all suppliers. Please check the list of projects under the Code of Silence at: <http://www.houstonisd.org/Page/104430>
5. Please check our Procurement website for all posted solicitation project addenda at <http://www.houstonisd.org/Page/68148>



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6. It is important to comply with the solicitation dates. Your proposal must be submitted by the day and time requested in the documentation. All sections of the solicitation must be also submitted in your proposal. Failure to comply with these requirements may cause your proposal to be considered non-compliance.
7. The District will evaluate each proposal to select the best value for the District. Those vendors selected will be brought to the Board of Trustees for approval.
8. After the solicitation process is over, if you would like to schedule a debriefing meeting for specific questions about your proposal, please send us an email at Sourcing@houstonisd.org.

Our suppliers are very important to us, and with your support we are able to achieve our District's Goals.

Procurement Services has the authority to commit district funds for the acquisition of goods and services. Procurement Services is responsible for facilitating the processes governed by state and federal law to ensure best practices, and an equally competitive environment for the purchase of all goods and services. The district purchases a wide variety of goods and services including but not limited to:

- (1) Professional Services,
- (2) Construction/Repairs of Facilities
- (3) All other goods and services.

Procurement Services primarily handles the acquisition of goods & services. This procedure is intended to provide assistance with acquisitions made by the Procurement Services Department, in which a purchase order will ensure the timely payment of goods/services rendered.

The standard methods utilized for the acquisition of goods and services from Suppliers are the HISD Purchase Order and the HISD Purchasing Card (PROCARD).

GOODS & SERVICES REQUIRING A PURCHASE ORDER

The district is required to competitively bid any/all expenditures greater than \$50,000.00 in the aggregate; meaning just about every purchase made by the district.

The Purchase Order is an official document that may serve as the contract between HISD and the Supplier for the procurement of goods and services.



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A Purchase Order is also a binding commitment for HISD to remit payment to the Supplier after the item(s) and an invoice are received by the district according to the terms and conditions as stated on the purchase order.

Suppliers may not change or modify what is stated specifically on the purchase order. If a change is necessary, it will only be made by a formal change order issued by Procurement Services. Any changes made that do not adhere to the terms outlined in the purchase order will not be honored.

Each purchase order with the Supplier will be confirmed by a member of the Procurement Services Department prior to issuance. This is necessary to ensure the accuracy of pricing, availability and the required due date, and also to ensure that prompt payment follows an accurate invoice. The unit of measure, the unit price, the description and the total cost must all be verified, and must match before an invoice can be paid; therefore, it is extremely important that this dialog takes place prior to the issuance of the purchase order and invoicing process.

The delivery date specified on the purchase order is in fact the date the goods or services are due at the district. This is not a ship date or a start date, but rather a completion date and Suppliers will be graded by their ability to deliver goods or services timely. This grading may adversely affect future district business with the Supplier.

If third party freight is ever required and it is the district's responsibility to pay, it should be prepaid by the Supplier and added to the invoice, as a separate freight line item listed on the purchase order. Third party freight invoices will not be paid by the district.

Contracts are issued for a specific requirement (goods or services) for a specific period of time. Contracts do not automatically renew. If there is a "compelling" reason for the district to renew a contract, it must be done formally. Likewise, if there is a compelling reason for the district to solicit new competitive proposals, it must do so.

HISD PROCARD

The PROCARD is a professional credit card issued to HISD employees. The PROCARD must be used only with approved HISD merchants/suppliers, and it will be accepted by any merchant/supplier who accepts MasterCard. The PROCARD allows authorized district employees to procure goods and services that cost less than \$1000 with a maximum dollar-spending limit of \$7500 per month.

The PROCARD operates similar to any personal credit card. However, purchases are electronically processed and limitations are established for spending amounts per transaction, types of suppliers from whom purchases can be made, and the number of transactions that can be made per day. In addition, the HISD PROCARD is a customized design card that is school



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bus yellow in color. This color was strategically chosen to help distinguish the PROCARD from an individual personal credit card.

The Intent of HISD PROCARDS

The intent of the PROCARD is to facilitate the need to acquire low dollar, low value business transactions necessary for the effective and efficient day-to-day operation of schools and departments throughout the District. PROCARDS are to be used specifically for District business purposes only and may not be used for any non-business or personal purchases.

Prudent, good business judgment must be exercised at all times when making a purchase with a district PROCARD. Cardholders are expected to be as conscientious with district funds as they would their own. Before any purchase is made, the Cardholder must ask: "*How will this transaction be perceived by the public we serve?*" Any purchase or expense perceived as being excessive, expensive, exorbitant or inconsistent with educational business purposes will be scrutinized and, if deemed inappropriate, the Cardholder will be required to compensate the District for the difference in reasonable and customary costs.

You are empowered by the District to act in a manner consistent with State bid laws and Board of Education policy. Therefore, you are expected to act responsibly when making PROCARD purchases.

If you are not sure whether or not to use your PROCARD, it is best to create a shopping cart for the Procurement Services Department to create a Purchase Order for your needs.

BIDS AND PROPOSALS

All expenditures (district-wide) must be competitively bid by the Procurement Services Department, only.

Competitive bids are generally solicited either by means of a Request For Proposal (RFP), or a competitive sealed bid (or proposal) or as defined under Chapter 44, section 44.031. While RFP's may result in additional negotiations before a contract award takes place, all bids/proposals should always be prepared with utmost care, providing the bidder's best offer. Contracts awarded as a result of an erroneous offer may result in serious financial loss or other hardship for the bidder.

Before preparing an offer, Suppliers are encouraged to pay particularly close attention to the district's requirements and the intent to which a contract is awarded. Study the specifications to be sure that all requirements are met. These are the only goods/services that may be contracted for.

Current bid/proposal solicitations are announced in local newspapers of mass-distribution for two consecutive weeks. They are also posted on the district's Procurement Web site at: <http://www.houstonisd.org/Domain/8017>



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Specific attention should be given to the instructions to offerors and to the conditions of purchase, delivery due date, payment terms and conditions.

When determining the amount of the offer, the Supplier should be especially careful to include all costs of material, labor, overhead, packaging, and delivery.

If a firm wants to change or withdraw a bid, it may send a letter to this effect to the Sourcing Specialist leading that solicitation in Procurement Services. However, the notification must reach the Procurement Services office prior to the time set for the bid opening.

When preparing a proposal in response to an RFP, the same care should be taken as with a sealed bid/ proposal; however, because the RFP procedure is more flexible than the sealed bid procedure, there is greater opportunity to seek clarity of specifications, conditions of purchase, or delivery and payment.

If negotiations are necessary, the process will begin with the proposal submitted by the Supplier as a starting point and the results are contingent upon obtaining final Board of Education approval.

If the contracting officer decides to negotiate on a firm's proposal, a complete cost analysis may be required including all cost drivers.

Therefore, the firm should be prepared to support their proposal with documented facts and figures.

Usually, all contracts that require Board of Education approval (\$50,000. or greater) will result in a Master Agreement (contract), against which, one or more purchase orders may reference.

When necessary a "Letter of Intent" will be sent to the Supplier(s) stating the intent of the district to seek Board of Education approval to execute a contract/agreement and a general outline of the proposed agreement.

It is important to note that the contract or Master Agreement contains all contractual terms and conditions governing the business relationship and any purchase orders written as a result of the contract or Master Agreement do not supersede the terms and conditions contained within the contract or Master Agreement.

All literature including pamphlets, catalogs, brochures etc. must be approved by the Sourcing Specialist prior to distribution to any school and or department or facility.



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CONSTRUCTION PROJECTS – FACILITIES

The District follows CV(Local) and CV(Legal) for all Facilities Construction projects. HISD considers a construction contract using a method authorized by Government Code Chapter 2269 other than competitive bidding must, before advertising, determine which method provides the best value for the district. *Gov't Code 2269.056(a)*

- If the anticipated expenditure is greater than \$20,000, the service will require a licensed Engineer.
- If the anticipated expenditure is greater than \$25,000, a payment bond is required.
- If the anticipated expenditure is greater than \$100,000, a performance bond is required.

ACCOUNTS PAYABLES - PAYMENT PROCESS

HISD is an educational institution, a political subdivision of the state of Texas and as such, is tax exempt.

All invoices must only be sent to the HISD Accounts Payable Department by using the following email addresses:

Inquires/Statements- AccountsPayable@houstonisd.org

Po Related Invoices- HISD_VendorInvoices@houstonisd.org

INFORMATION NEEDED ON INVOICES:

Date (Of service)

Amount

PO# (need to match contract)

Address (Match system)

Reference Number (No more than 16 characters)

Vendor address updates send to Procurement – Matadata@houstonisd.org

WHAT WILL CAUSE A DELAY IN PAYMENT?

No purchase order

Invalid purchase order

Incomplete date

No address

Purchase order does not match billing

Substitutions without Procurement Approval



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Only invoices that refer to a specific purchase order and line item, that precisely match the purchase order in detail will be accepted.

The district's standard payment terms are Net 30 days, from the receipt of the invoice, in the Accounts Payable Department. If additional discounts are offered for early payment, please include those discounts in the offering.

Invoices will only be paid after the goods or services are received, therefore, prepayments in any form are not acceptable.

BUSINESS ASSISTANT OFFICE - MINORITY AND WOMEN BUSINESS ENTERPRISES (M/WBE) PROGRAM

The Houston Independent School District established the [Minority and Women-Owned Business Enterprise \(M/WBE\) Program](#) in 1988 in order to advocate fair and equitable opportunities for the participation of M/WBE firms, in the areas of procurement, construction, and professional services. Our objectives are to increase and utilize M/WBE companies in as many HISD projects as possible, to create an atmosphere of inclusiveness, and to deliver what we promise to all of our business associates.

In order to advocate fair and equitable opportunities for the participation of Minority and Women-Owned Business Enterprises, HISD is committed to providing opportunities in the areas of purchasing, professional services, and construction. We define an M/WBE firm as a business enterprise that is at least 51% owned by one of the following socially/economically disadvantaged groups – African-American, Hispanic-American, Asian-American, Native-American, and Women. HISD accepts certification as an M/WBE firm from the following agencies: [City of Houston](#), the [Houston Minority Supplier Development Council](#), and/or the [Women's Business Enterprise Alliance](#).

HISD's minimum MWBE goal is 20% of all purchasing and construction contracts over \$50,000, and 25% for professional services. At the very least, good faith efforts in the use of MWBE's are required by policy in the purchase of:

- Goods and Nonprofessional Services
- Construction Contracts (General and Subcontractors)
- Professional Services

All district Suppliers are asked to commit to the same goals when doing business with their Suppliers.



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The District offers workshops on the first Wednesday of each month at the *CFS/Bond Administration Building* located at 3200 Center Street, Houston, TX 77007 from 3:00 PM to 5:00 PM. If the first Wednesday should fall on a scheduled holiday, the workshop will move to the next Wednesday of that month. Please call Business Assistant offices at (713) 556-7273 for the scheduled dates, times and topics for these events.