



Brazosport ISD

**CITIZENS' BOND OVERSIGHT
COMMITTEE
JUNE 18, 2012**

Welcome



- **Introductions**
 - **Staff**
 - **Committee Members**
 - **Others**

Bond Next Steps



- **See handout...**

Review of Charter



- **A copy of the charter has been provided for your review.**
- **Any questions on the charter?**

Selection of Oversight Co-chairperson



- **Per the charter “members will identify one person to serve as the co-chair with the District’s CFO.**
- **Selection will be through member nominations**
- **Selected at initial meeting and every three years for duration of bond.**

Selection of Member Terms



- **Per the charter “members shall serve staggered 2 or 3 year terms.”**



Review of District Processes/Procedures

- **Purchasing/Bidding**
- **Cash Management**
- **Reallocation of Project Funds**

Purchasing/Bidding

- **Guiding Documents**
 - **Chapter 44 of the Texas Education Code**
 - **Board Policy CH and CV (series) – mirrors Education Code**
 - **Business Office – Purchasing Manual**
- **Overall Goals**
 - **Obtain best value for the District**
 - **Meet the education and operational needs of the District.**

Purchasing/Bidding



- **Purchasing options vary based on the amounts.**
- **Any annual aggregate category of purchase \$50,000 or more has a legal purchasing compliance requirement.**
- **Anything less than \$50,000 has district requirements.**

Purchasing/Bidding



- **Under \$500**
 - **Purchases under \$500 may be made in the most expeditious manner possible in order to meet the needs of the schools and departments. Although encouraged to utilize vendors within the system, new vendors may be entered as needed.**

Purchasing/Bidding

- **\$500 to \$2,499**
 - **For purchases \$500 to \$2,499, schools and departments must obtain verbal or written quotation for the requisition. Documentation should be maintained with the purchase requisition form on the campus or within the department.**

Purchasing/Bidding

- **\$2,500 to \$24,999**
 - **Purchases \$2,500 to \$24,999, three written quotes must be submitted to the Business Office before the purchase order/direct payment will be approved and processed.**

Purchasing/Bidding

- **\$25,000 and over**
 - **Purchases in excess of \$25,000 require Board approval; contact the Business Office, enter requisition into TEAMS**
 - **\$25,000 to \$49,999 - three written quotes must be submitted to the Business Office**
 - **Purchase cannot be made until approved by the Board.**
- **\$50,000 and over (aggregate annual purchases per category of item)**
 - **Requires Competitive Procurement**

Purchasing/Bidding

- **Competitive Procurement Options:**
 - Competitive Bidding (Direct)
 - Competitive Sealed Proposals (Direct) ***
 - A Request for Proposals, for Services other than Construction Services (Direct)
 - An Interlocal Contract (Indirect) ***
 - A Design/Build Contract (Direct)
 - A Contract to Construct, Rehabilitate, Alter, or Repair Facilities that involves the use of a Construction Manager (Direct)
 - A Job Order Contract for the Minor Construction, Repair, Rehabilitation, or Alteration of a Facility (Direct)
 - The Reverse Auction Procedure Defined in Government Code, Section 2155.062(d) (Direct)
 - The Formation of a Political Subdivision Corporation under Local Government Code, Section 304.001. (Indirect) ***

Purchasing/Bidding



- **Exceptions to Competitive Procurement:**
 - Produce and Fuel
 - Sole Source
 - Cooperative Purchasing Programs (Indirect Bidding) ***
 - ✦ To conserve and coordinate the use of public funds, school districts may enter into agreements for the cooperative purchase of goods and services between itself and other local governments or agencies (interlocal agreement).
 - ✦ Saves \$ by:
 - Eliminating the need for every government to have a purchasing department
 - Increasing volume discounts
 - ✦ Only drawback is the administrative fee of 3%-5%
 - Professional Services – Determined through professional qualifications!

Purchasing/Bidding



- **What does Competitive Procurement Mean:**
 - Specifications determined by department
 - Legally advertising in local paper once a week in two consecutive weeks before the deadline.
 - Sent to preferred vendors and any vendor who requests
 - Opened publically
 - Tabulated and recommendation made to Board of Trustees for approval.
 - If for construction, an architect or engineer is required to be hired to facilitate the process.

Purchasing/Bidding

- **Goal – Obtain Best Value** - In evaluating procurement decisions the District will always apply best business practices. In doing so, the District will always consider the Best Value criteria as listed below. When seeking a competitively procured contract, the District will state the Best Value criteria listed below as well as any additional criteria to be considered within the bid or proposal document.
 - Best Value criteria to be considered shall include:
 1. The purchase price
 2. The reputation of the vendor and of the vendor's goods or services;
 3. The quality of the vendor's goods and services;
 4. The extent to which the goods or services meet the district's needs;
 5. The vendor's past relationship with the district;
 6. The impact on the ability of the District to comply with laws and rules relating to historically underutilized businesses;
 7. The total long-term cost to the District to acquire the vendor's goods or services,
 8. For a contract that is not for 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 has its principal place of business in this state or employs at least 500 persons in this state.
 9. Any other relevant factor specifically listed in the request for bids or proposals.

Purchasing/Bidding

- **Other Considerations**
 - Legal compliance does not always meet “best value” goals.
 - Use of Coops up to \$100K per item.
 - If over \$100K, direct quotes must be obtained for comparative purposes. If cost difference is more than \$3,000 a bid must be obtained unless other timing factors are present.
 - Group Purchasing: Adds volume and reduces overall bidding costs
 - Local Vendors...
 - Questions on Purchasing/Bidding?

Cash Management

- **Goals**
 - Meet cash flow requirements of projects.
 - Preserve capital while maximizing investment earnings.
- **Reviewing options**
 - Board Policy CDA – capital project allow for investments exceeding one year.
 - Investment Pools
 - Externally Managed Program
- **Questions/Comments Suggestions on Cash Management?**

Re-allocation of Project Funds

- **Primary Goal**
 - Complete what we told the community we said we would do!
- **Use of Estimates in Bond Development**
 - Some costs will come in higher others lower.
- **Recommendation for Re-allocation Process**
 - Between community approved projects – Administration reviews/approves and reports to Oversight Committee.
 - Change in scope – Requires approval of committee and Board of Trustees before implementing.
- **Suggestions/Comments**

Review of Timelines

- **Project Timelines (Chief Technology Officer)**
 - **When will I see some improvements?**
- **Funding Timelines (Chief Financial Officer)**
 - **Show me the money!**
 - **New Money Effect on Tax Rate (roughly 2.6 cents)**
 - **Less refunding of .3 cents**

Reimbursement Resolution

- **Board approved at June meeting**
 - **Timing of needs**
 - **Timing of funding**
 - **Temporarily not aligning**
 - **Allows capital projects fund to borrow from general fund and be reimbursed when bond funds are received.**

Summer Project Items

- **Administration wanted to meet with the Oversight Committee prior to beginning the purchasing process.**
- **Again operational needs and long lead time items required moving forward with a two items including**
 - **Band Uniforms – purchased through a preferred vendor on a “Cooperative Purchasing Contract”. Had to order to receive in time for competition next year.**
 - **Chiller at Lanier – 1 of 2 chillers went down the last week of school. 6 weeks deliver and 1 week of installation – \$63K, Cooperative Purchasing Agreement**

Questions/Discussion/Suggestions

- **Meeting Schedule**
 - **September 26, 2012**
 - **December 19, 2012**
 - **March 27, 2013**
 - **June 12, 2013**
 - **Begin at 5 pm.**