

TO QUOTE OR NOT TO QUOTE?

September 11, 2020

WHEN SHOULD A QUOTE BE REQUESTED?

- Always if you want to stretch your budget further (recommended).
- We have over 10,318 vendors currently awarded under a [district or Co-op bid](#).
- Vendors have the flexibility to quote better prices than what was originally submitted with the bid. I personally have seen a savings of over \$8,500 on two separate quotes this year.
- With the use of email getting bids is now easier than ever.
 - Email multiple vendors using (BCC) at the same time to request quotes.
 - Email the vendors and thank them for their quote, that you have selected a vendor, and that you will contact them in the future.

COMMODITY CODES/LIKE TYPE ITEMS FOR **FEDERAL PURCHASES ONLY**

- District defines its own Like-Type Items.
- Like-type may not be defined as a single purchase order or a single vendor.
- TEA does not limit the number of like-types that the LEA may define, nor does TEA limit the cost of the items categorized as like-types. LEAs must be aware, however, that their like-type definitions are subject to monitoring and audit.
- When the \$10,000 threshold by commodity code is met, we must follow small purchase procedures and collect at least two price quotes for additional purchases of items for that like-type.
- A Google Sheet has been created to be used to classify federal purchases based on Commodity code/Like Type items (see link below).
- [Like Items \(Commodity Items\) COLLEGE STATION ISD](#)
- Carmella or Jennifer Hairell are working with each person individually as they make federal purchases to teach them how to select and enter the commodity code in the purchasing requisition.
- Feel free to call me to discuss adding additional Like-Type Items to the list.
- [TEA-TAA-11.29.18](#)

PURCHASE COMMITMENT AMOUNT	STATE AND LOCAL FUNDS PURCHASE Support Required	FEDERAL FUNDS "2XXX" PURCHASE Support Required
		Federal Fund purchases must be tracked/aggregated by Commodity Codes/Like Type Items **
For purchases Less than \$10,000.00 (Micro-purchase/Fed Law)	1 QUOTE	1 QUOTE
	OR USE OF DISTRICT OR Co-OP BID	OR USE OF DISTRICT OR Co-op BID
For purchases of \$10,000.00 to \$49,999.99 (by Commodity Code for Federal Funds) (Small purchase/Fed Law)	2 Quotes	2 QUOTES Minimum
	OR USE OF DISTRICT OR Co-OP BID	Recommend 3 (even if using DISTRICT or Co-op BID) Quote can be internet print out.
For purchases of \$50,000 and over (by Commodity Code for Federal Funds) (Small purchase/Fed Law) Competitive Procurement/Texas Law	USE OF DISTRICT OR Co-OP BID VENDOR + 2 QUOTES RECOMMENDED + BOARD APPROVAL	2 QUOTES Minimum Recommend 3 (even if using DISTRICT or Co-op BID) Quote can be internet print out + BOARD APPROVAL
	(Education Code 44.031)	(TEA-TAA-11.29.18)
For purchases over \$250,000.00 (by Commodity Code for Federal Funds) (Single Acquisition Threshold/Fed Law) Competitive Procurement/Texas Law	USE OF DISTRICT OR Co-OP BID VENDOR + 2 QUOTES RECOMMENDED + BOARD APPROVAL	2 QUOTES Minimum Recommend 3 (must use DISTRICT or Co-op BID vendor) Quote can be internet print out. + Independent Est. by Purchasing prior to bid advertisement + BOARD APPROVAL
	(Education Code 44.031)	
SOLE SOURCE PURCHASE \$50,000.00 and over Less than \$50,000 (no agenda item)	1 QUOTE + DISTRICT SOLE SOURCE FORM COMPLETED BY EMPLOYEE + BOARD APPROVAL (IF OVER \$50,000)	1 QUOTE + DISTRICT SOLE SOURCE FORM COMPLETED BY EMPLOYEE + TEA APPROVAL+BOARD APPROVAL (IF OVER \$50,000)

** All federal fund purchases must be aggregated by fiscal year by Commodity Code/Like Type Item. When we reach the \$10,000 total purchases by Commodity Code/Like Type Item the purchase is then considered a **Small Purchase** and **2 quotes minimum are required**. The district defines the Commodity Codes/Like Type Items, but a single PO or single vendor purchases cannot be considered an item. (TEA-TAA-11.29.18)

[\(TEA-TAA-11.29.18\)](#)

Go to Google Drive for the current Awarded vendor list and Like Type Item/Commodity Code List

COLLEGE STATION I.S.D. PURCHASING LEVELS AND REQUIREMENTS

Purchases with **STATE AND LOCAL FUNDS** (budget code Does **NOT** Start with "2")

S T A T E F U N D S L O C A L	Purchase Commitment Amount	Support Required	Additional Forms	RFP/RFQ	Board Approval	Advertising	S T A T E F U N D S L O C A L
	For purchases Less than \$10,000.00	1 QUOTE	NOT REQUIRED	NOT REQUIRED	NOT REQUIRED	NOT REQUIRED	
		OR USE OF DISTRICT OR Co-OP BID					
	For purchases of \$10,000.00 to \$49,999.99	2 Quotes	2 QUOTES	NOT REQUIRED	NOT REQUIRED	NOT REQUIRED	
		OR USE OF DISTRICT OR Co-OP BID	OR Bid/Co-OP contact No.				
	For purchases \$50,000.00 and Over	USE OF DISTRICT OR Co-OP BID	2 QUOTES RECOMMENDED	REQUIRED if not using current district bid or Co-op bid	BOARD APPROVAL REQUIRED	REQUIRED for Two (2) consecutive weeks + 2 weeks for responses + 2 weeks for analysis and board meeting (6 wks)	
		Competitive Procurement/Texas Law (Education Code 44.031)					
	SOLE SOURCE PURCHASE	1 QUOTE	DISTRICT SOLE SOURCE FORM COMPLETED BY EMPLOYEE	NOT REQUIRED	BOARD APPROVAL REQUIRED	NOT REQUIRED	
	\$50,000.00 and over Less than \$50,000 (no agenda item)						

Purchases with **FEDERAL FUNDS** (budget code **STARTS WITH** "2XXX")

Federal Fund purchases must be tracked/aggregated by Commodity Codes/Like Type Items for all federal funds **

F E D E R A L F U N D S	Purchase Commitment Amount	Support Required	Additional Forms	RFP/RFQ	Board Approval	Advertising	F E D E R A L F U N D S
	For aggregate purchases Less than \$10,000.00 (Micro-purchase/Fed Funds)	1 QUOTE	NOT REQUIRED	NOT REQUIRED	NOT REQUIRED	NOT REQUIRED	
	For aggregate purchases of \$10,000.00 to \$49,999.99 by Comm. Code (Small purchase/Fed Law)	2 QUOTES Min. Recommend 3 (even if using DISTRICT or Co-OP BID)	2 QUOTES min.	NOT REQUIRED	NOT REQUIRED	NOT REQUIRED	
			Can be internet print outs				
	For aggregate purchases \$50,000.00 and over by Comm. Code (Small purchase/Fed Law) Competitive Procurement/Texas Law	USE OF DISTRICT OR Co-OP BID	2 QUOTES Min.	REQUIRED if not using current district bid or Co-op bid	BOARD APPROVAL REQUIRED	REQUIRED for Two (2) consecutive weeks + 2 weeks for responses + 2 weeks for analysis and board meeting (6 wks)	
		(Education Code 44.031)					
	For aggregate purchases over \$250,000.00 by Comm. Code (Single Acquisition Threshold/Fed Law) Competitive Procurement/Texas Law	COMPETITIVE PROCUREMENT	Independent Est. by Purchasing prior to bid advertisement	REQUIRED if not using current district bid or Co-op bid	BOARD APPROVAL REQUIRED	REQUIRED	
		USE OF DISTRICT OR Co-OP BID (Education Code 44.031)				Two (2) consecutive weeks	
	SOLE SOURCE PURCHASE *	1 QUOTE	DISTRICT SOLE SOURCE FORM COMPLETED BY EMPLOYEE AND TEA Form (Approval by TEA required) Rare and expect 2-3 weeks min. for response	NOT REQUIRED	BOARD APPROVAL REQUIRED	NOT REQUIRED	
					\$50,000.00 and over Less than \$50,000 (no agenda item)		

* Currently TEA has approved Education Service Center 20 as a sole source vendor. All other vendors require case by case approval from TEA.

** All federal purchases will be aggregated by fiscal year by Commodity Code/Like Type Item. When we reach the \$10,000 total purchases by Commodity Code/Like Type Item the purchase is then considered a Small Purchase and 2 quotes are required. The district defines the Commodity Codes/Like Type Items, but a single PO or single vendor purchases cannot be considered an item. The list of items must be made available for TEA and/or federal auditors.

[\(TEA-TAA-11.29.18\)](#)

Go to Google Drive for the current Awarded vendor list and Like Type Item/Commodity Code List



To the Administrator Addressed

Commissioner Mike Morath

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DATE:	November 29, 2018
SUBJECT:	New TEA Guidance on Micro-Purchase Flexibility Under EDGAR
CATEGORY:	EDGAR Purchasing Requirements
NEXT STEPS:	None

In an [August 28, 2018](#), To the Administrator Addressed letter, TEA's Department of Contracts, Grants and Financial Administration announced the decision by the Office of Management and Budget (OMB) to increase the micro-purchase threshold from \$3,500 to \$10,000, effective July 1, 2018.

This letter provides new TEA guidance and flexibility regarding micro-purchases.

New Micro-Purchase Flexibility

As required under EDGAR, the micro-purchase threshold of \$10,000 is an aggregate amount. The LEA may expend no more than \$10,000 on micro-purchases throughout the fiscal year. The threshold amount applies to the sum of all the federal grants received by the LEA.

To increase LEAs' micro-purchase flexibility, TEA is providing the following guidance:

- The \$10,000 "aggregate amount" threshold applies to purchases of "like-types" of items.
- In its local policies and procedures, the LEA must define what like-types of items may be micro-purchased.
- The \$10,000 threshold applies to each like-type that the LEA defines.
- Once the LEA reaches the \$10,000 threshold, it must follow small purchase procedures and collect at least two price quotes for additional purchases of items for that like-type.
- A like-type may correlate to a subcategory of a commodity code (not to the commodity code itself).
- Like-type may not be defined as a single purchase order or a single vendor.
- For each like-type that the LEA defines in its local policies and procedures, it may expend up to the \$10,000 threshold across all its federal grant funds for the entire fiscal year.
- TEA does not limit the number of like-types that the LEA may define, nor does TEA limit the cost of the items categorized as like-types. LEAs must be aware, however, that their like-type definitions are subject to monitoring and audit.

LEAs must be prepared to submit their like-type definitions to TEA monitors and auditors.

For Further Information

With any questions about the increased federal micro-purchase threshold or TEA's new flexibility for micro-purchases with federal grant funds, email the Department of Contracts, Grants and Financial Administration at GrantSupport@tea.texas.gov.

August 28, 2018

TO THE ADMINISTRATOR ADDRESSED:

SUBJECT: Implementing Statutory Changes to Micro-Purchase and the Simplified Acquisition Thresholds under the Education Department General Administrative Regulations (EDGAR)

Recent federal statutory changes have resulted in increases to the thresholds for micro-purchases and small purchases under the procurement rules in EDGAR. The increased thresholds are effective as of July 1, 2018, for all federal grant recipients. (Refer to [OMB Memorandum M-18-18](#)). TEA will implement these changes in the terms and conditions of all federal grant awards. Local educational agencies (LEAs) that receive federal grants should update their local policies and procedures to reflect these changes.

Micro-Purchases

A micro-purchase is 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 an LEA's small purchase procedures. The LEA can use micro-purchases to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold was previously \$3,500 but has now been increased to \$10,000, effective July 1, 2018.

Please note that the threshold of \$10,000 must be considered in the aggregate over the entire period of applicable federal grants. Therefore, the cost of items purchased using the micro-purchase method is cumulative across the grant year and cannot exceed a total of \$10,000.

Small Purchases

Procurement by small purchase procedures uses a relatively simple and informal method of procuring services, supplies, or other property that do not cost more than the simplified acquisition threshold. The small purchase procedures require price or rate quotations from an adequate number of qualified sources. **Although EDGAR does not define how many price quotations are considered an adequate number, TEA recommends at least three price quotations. At least more than 1 quote.**

As of July 1, 2018, the simplified acquisition threshold was increased from \$150,000 to \$250,000. The \$250,000 threshold should be considered as an aggregate amount within the grant period of the applicable grant. However, [Texas Education Code \(TEC\) 44.031](#) requires competitive procurement methods be used for purchases valued at \$50,000 or more. If an item costs less than \$50,000, state rules allow an LEA to utilize price quotations to stimulate competition and to attempt to receive the most favorable pricing. Therefore, since TEC 44.031 is more restrictive than the EDGAR procurement rules, the simplified acquisition threshold under EDGAR does not apply to purchases made with federal funds costing \$50,000 or more.

For Further Information

For more information regarding EDGAR methods of procurement to be followed, see [2 CFR 200.320](#).

If you have any questions about these threshold changes or EDGAR, please email GrantSupport@tea.texas.gov.

Sincerely,

Cory Green, Associate Commissioner
Department of Contracts, Grants and Financial Administration