



**EDGAR**  
**Hot Topics and Updates**

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Texas Education Agency

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**Procurements**

Most Restrictive  
Micro-purchases  
Sole Source



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**What is the most restrictive procurement requirement, state or EDGAR?**

- › See FAQ #66-68
- › Depends on entity, LEA (including ESCs), charter schools, or nonprofit

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**What is the most restrictive procurement requirement, state or EDGAR?**

- ▶ LEAs
  - Under \$3000 – federal rules, suggested state policy
  - \$3000-49,999 – federal rules require price or rate quotes from adequate number of sources
  - \$50,000 and above – state rules in FASRG
  - At \$150,00 and above, add federal cost or price analysis in addition to state rules

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**What is the most restrictive procurement requirement, state or EDGAR?**

- ▶ Charter Schools
  - Generally, because FASRG does not apply to charter schools unless specified in individual charter, the federal requirements apply
- ▶ Nonprofits
  - Federal requirements apply

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**Are LEAs required to implement micro-purchases**

- ▶ No, it is flexibility
- ▶ See FAQ #69-73

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**Noncompetitive (Sole Source) Proposal**

- ▶ Very few approved thus far
- ▶ Mainly Perkins requests, with some Title I requests
  
- ▶ Must also meet state FASRG rules for sole source before approval
- ▶ LEA must document reasons for sole source

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**Explain the sole source form.**

- ▶ See FAQ #76
  
- ▶ Justification for sole source
- ▶ Multiple vendors
- ▶ Can include documentation

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**What if denied for sole source authorization?**

- ▶ Resubmit with additional documentation
  
- ▶ Other allowable noncompetitive procurements
  
- ▶ Other procurement option

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**State Sole Source Rules**

FASRG 3.2.3.6

May be exempt from competition...

- ▶ Identification and confirmation that competition in providing the item or product is precluded by a patent, copyright, proprietary process, monopoly
- ▶ Captive replacement part or component for equipment

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**State Sole Source Rules**

*Handbook on Purchasing for Texas Public Schools, Junior Colleges and Community Colleges, p. 126, Q.98*

How to Document Sole Source

- ▶ Sole source letter
- ▶ Statement reflecting sufficient number of vendors has been contacted
- ▶ Reasons only one vendor exists

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**Should contracts for over \$10,000 include an "out" clause?**

- ▶ See Handout #3 from the EDGAR training

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**Participant Support Costs**  
PNP  
Parents



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**Participant Support Costs**

See FAQ #33, #58, #59

Costs for subsistence and travel or registration related to training or conference participation for non-employees



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**Private Nonprofit Services**

- ▶ Prior approval for participant support costs only required for registration fees and travel related to training or conferences
- ▶ Many equitable services activities are not considered participant support costs and do not require prior approval



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**Parental Involvement**

- › Prior approval for participant support costs only required for registration fees and travel related to training or conferences
- › Many parental involvement activities are not considered participant support costs and do not require prior approval

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**Two-year Grace Period**  
Procurement  
Pros and Cons



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**What does the new 2-year grace period cover?**

- › Only the implementation of the procurement policies and procedures is affected for two full fiscal years after December 26, 2014
- › Basically through end of SY2016-2017
- › Must still identify in local policy which standards the organization is following

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**What are the pros and cons of taking advantage of the 2-year grace period?**

- ▶ Delays requirements for the procurement policies and procedures
- ▶ Loss of micro-purchase flexibility
- ▶ Really minimal change from what you are already required to maintain

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**What do we send to TEA to notify them if taking the 2-year grace period?**

- ▶ Nothing submitted to TEA
- ▶ Put statement in local policy

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**Disposition of Equipment/Supplies**

What  
When  
How



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**What equipment and supplies do I report for disposition?**

- ▶ Submit disposition form for all equipment with original purchase price over \$5000/unit\*
- ▶ Submit form for unneeded supplies with an aggregate value over \$5000\*

\*or lower local capitalization threshold

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**When do I submit equipment and supplies disposition forms?**

- ▶ Submit disposition form when equipment with original purchase price over \$5000/unit is no longer needed for its purpose
- ▶ Submit form for supplies with an aggregate value over \$5000 no longer needed for their purpose

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**How do I complete the form?**

- ▶ If current, fair, market value of equipment/aggregate supplies is–
  - Below \$5000 (or lower local capitalization threshold), simply check the option that everything is below \$5000
  - Above \$5000, list the equipment and request how you would like to dispose

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**Subscriptions**  
Multi-year  
When pay



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**Can the LEA pay a multi-year subscription with current year grant funds?**

- › See FAQ #74
- › Follow contract provisions
- › Only pay for services received in grant period



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**Can the LEA pay the full year of the subscription at the beginning of the grant year?**

- › See FAQ #75
- › Only if receiving full benefit of the subscription at the beginning of the subscription
- › If subscription has levels to be accessed, must only pay invoices for services (levels) actually received



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**Conflict of Interest**



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**Has USDE released its conflict definition or policy?**

- ▶ No, nothing as of yet
- ▶ However, Local Government Code, Chapter 176 was updated effective in September



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**Is the 8/15 conflict of interest questionnaire most current?**  
**Are any vendors "grandfathered" in?**

- ▶ Relates to Local Government Code, Chapter 176, effective September 1
- ▶ No grandfathering in clauses in new EDGAR



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**Question**

By the questions being asked, it appears LEAs are not having time to read the EDGAR FAQ document.

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How do we get the updated information to the LEAs  
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**Contact Information**

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