

BOARD OF TRUSTEES AGENDA

<input type="checkbox"/>	Workshop	<input type="checkbox"/>	Regular	<input type="checkbox"/>	Special
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(A) **Report Only** **Recognition**

Presenter(s): ISMAEL MIJARES, DEPUTY SUPERINTENDENT FOR BUSINESS AND FINANCE
LUIS VELEZ, PURCHASING DIRECTOR

Briefly describe the subject of the report or recognition presentation.

REPORT ON MANAGEMENT FEES FOR STATE PURCHASE CONTRACTS, INTERLOCAL AGREEMENTS AND PURCHASING COOPERATIVES.

(B) **Action Item**

Presenter(s):

Briefly describe the action required.

(C) **Funding source: Identify the source of funds if any are required.**

(D) **Clarification: Explain any question or issues that might be raised regarding this item.**

MEMORANDUM

To: Ismael Mijares, Deputy Superintendent for Business and Finance

From: Luis Vélez, Purchasing Director



Digitally signed by Luis A. Vélez
Date: 2016.07.05 08:47:17
-05'00'

Date: June 29, 2016

Subject: Report on management fees for state purchase contracts, interlocal agreements and purchasing cooperative for 2014-2015

Section 44.0331 of the Texas Education Code requires that the district annually document and present a written report as an agenda item in an open meeting to the board of trustees regarding management fees for state purchase contracts, interlocal agreements, and purchasing cooperatives.

Please note that by participating in these agreements, the list of available resources from which to procure from is not only expanded, but also ensures compliance with competitive bidding requirements at greatly reduced costs.

Please contact me at the Department of Purchasing should you need any further information regarding this matter.

MANAGEMENT FEES REPORT - 2014-2015

	<u>Description</u>	<u>Fee paid:</u>
1	Interlocal Agreement - Houston-Galveston Area Council Cooperative (HGAC)	\$ -
2	Interlocal Agreement - Texas Department of Information Resources (DIR)	\$ -
3	Interlocal Agreement - The Cooperative Purchasing Network (TCPN)	\$ -
4	Interlocal Agreement - U.S. Communities Government Purchasing Alliance	\$ -
5	Interlocal Agreement - Purchasing Association of Cooperative Entities (PACE)	\$ -
6	Interlocal Agreement - The Interlocal Purchasing System (TIPS)	\$ -
7	Interlocal Agreement - Education Service Center Region 20	\$ 3,647.00
8	Interlocal Agreement - TASB Local Government Purchasing Cooperative (Buyboard)	\$ 7,193.72
9	Interlocal Agreement - Texas Association of School Boards – Energy Cooperative	\$ 18,102.63
10	State of Texas Cooperative Purchasing Program	\$ 100.00
Total management fees paid:		\$ 29,043.35

Information on fees paid.

1	No fee paid.
2	No fee paid.
3	No fee paid.
4	No fee paid.
5	No fee paid.
6	No fee paid.
7	Fee of \$3,647.00 compensates the cooperative for the services and functions performed under the cooperative.
8	Fee of \$7,193.72 enables the cooperative to pay the administrative, endorsement, licensing, marketing, and other expenses involved in operating the cooperative program.
9	Fee of \$18,102.63 compensates the cooperative for the services and functions performed under the interlocal participation agreement and enable the cooperative to pay the administrative, endorsement, licensing, marketing, and other expenses involved in operating the cooperative program. The cooperative fee is \$0.00087/MWh.
10	Membership fee of \$100.00 to the State of Texas Cooperative Purchasing Program covers governmental costs associated with the cooperative program.

	<u>Description</u>	<u>Refund received:</u>
1	Interlocal Agreement - TASB Local Government Purchasing Cooperative (Buyboard)	\$ 808.61
Total refunds received under cooperatives:		\$ 808.61

Information on refunds received.

1	By participating in the TASB Buyboard cooperative, Eagle Pass I.S.D. is eligible to receive an approximate of 1% cash back on annual purchases made through this cooperative. For this period, the district received a check in the amount of \$808.61.
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Total management fees paid:	\$ 29,043.35
Total refunds received under cooperatives:	\$ (808.61)
Net expense to EPISD for 2014-2015:	\$ 28,234.74



P.O. Box 400, Austin, Texas 78767-0400
800.695.2919 • Fax: 800.211.5454 • buyboard.com



December 18, 2015

RE: Report of Management Fees September 2014 – August 2015

Dear Administrator,

The Local Government Purchasing Cooperative (the "Cooperative") is providing the following report on fees received by the Cooperative from vendors for purchases your district made through the BuyBoard® during the last fiscal year. The Cooperative is providing this information in order for your district to determine its compliance requirements under Section 44.0331 of the Education Code, which states:

Sec. 44.0331. MANAGEMENT FEES UNDER CERTAIN COOPERATIVE PURCHASING CONTRACTS.

- (a) A school district that enters into a purchasing contract valued at \$25,000 or more under Section 44.031(a)(5), under Subchapter F, Chapter 271, Local Government Code, or under any other cooperative purchasing program authorized for school districts by law shall document any contract-related fee, including any management fee, and the purpose of each fee under the contract.
- (b) The amount, purpose, and disposition of any fee described by Subsection (a) must be presented in a written report and submitted annually in an open meeting of the board of trustees of the school district. The written report must appear as an agenda item.
- (c) The commissioner may audit the written report described by Subsection (b).

The Interlocal Participation Agreement executed by your district allows the Cooperative to collect a vendor fee up to 2% of the purchase price paid by a Cooperative member or a flat fee amount for vehicles that is set by the Cooperative Board of Trustees. These vendor fees compensate the Cooperative for the services and functions performed under the Interlocal Participation Agreement and enable the Cooperative to pay the administrative, endorsement, licensing, marketing, and other expenses involved in successfully operating a program of electronic commerce for Cooperative members. **These fees are collected from vendors, not Cooperative or BuyBoard members.**

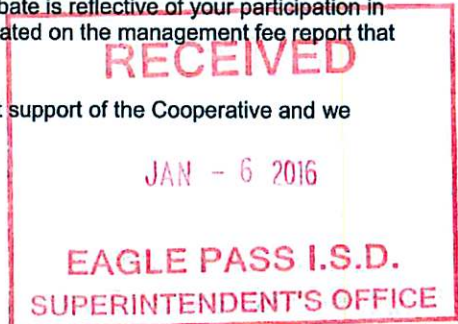
This report is based on purchase orders processed through the BuyBoard and paid by the vendor as of August 31, 2015. Vendor fees that are reflected are based on those contracts or purchase orders valued at \$25,000 or more and all other fees collected for those orders valued at less than \$25,000—in essence, all purchase activity by your district. The vendor fees reflect the amount invoiced and actually collected by the Cooperative. Please note that if your district made a purchase during the last fiscal year but the vendor had not yet sent its fee to the Cooperative, it is not reflected on this report.

The amazing growth of the Cooperative over the last couple of years has resulted in the Cooperative actually generating more in vendor service fees than it needs to cover its annual expenditures. As a result, the Cooperative Board approved a distribution of up to \$5.9 million to be rebated to 981 members, with each entity's rebate based on the amount of excess vendor service fees generated by its purchases. The rebate is reflective of your participation in the Cooperative for the 2014-15 fiscal year. If you received a rebate, it is indicated on the management fee report that follows.

If you have any questions please call us at 800-695-2919. Thank you for past support of the Cooperative and we look forward to providing you continued service in the upcoming year.

Respectfully,

Sharon McAfee
BuyBoard Program Director





Cooperative Management Fee Report: 9/1/2014 - 8/31/2015

Eagle Pass ISD

Contracts or Purchase Orders at \$25,000 or more

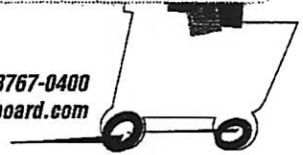
Vendor	Date	PO Number	PO Amount	Vendor Fees
Longhorn Bus Sales LLC	2/23/2015	265876	\$276,558.00	\$800.00
Holt Cat	9/29/2014	265628	\$60,055.00	\$1,201.10
Total for contracts at \$25,000 or more			\$336,613.00	\$2,001.10



Cooperative Management Fee Report: 9/1/2014 - 8/31/2015

Eagle Pass ISD

	PO Amount	Vendor Fees
Total for all other contracts or purchase orders	\$261,501.89	\$5,192.62
Total of all purchases orders processed	\$598,114.89	\$7,193.72
Rebate Paid		\$(809.00)
Net Amount of Fees Collected		\$6,384.72
Percentage of Vendor Service Fee Collected		1.07%



December 4, 2015

RE: Rebate Check

Dear BuyBoard member:

We are pleased to present your organization with the enclosed rebate check.

Because of your participation and confidence in The Local Government Purchasing Cooperative and BuyBoard®, the program has continued to grow over the last few years. The purchasing volume exceeded \$977 million for the 2014-15 fiscal years, and membership has grown to over 4,700 governmental and non-profit members throughout the state.

As a result of the continued growth, the Coop is sending rebate checks to eligible members. The rebate is reflective of the Coop collecting more in vendor service fees than it needed to cover its annual expenditures. As a result, the Cooperative Board approved a distribution of \$5.8 million to be rebated to 981 members, based on each entities contribution to the Cooperative's excess revenue. The enclosed check results from your participation in the Cooperative for the 2014-15 fiscal years.

Our goal is to continue to offer high-quality products at competitive prices from top-performing vendors so that you always find value in the Cooperative and BuyBoard.

Thank you for your participation in the Cooperative, and we look forward to serving you even better in the future.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Rivera', written over a horizontal line.

Mr. Matthew J. Rivera
Chair
The Local Government Purchasing Cooperative

The Local Government Purchasing Cooperative
P.O. Box 400
Austin, Texas 78767-0400
(800) 695-2919

Net Amount: \$*****808.61
Payee Name: EAGLE PASS ISD

00013221
11/30/2015

Invoice Number	Invoice Date	Description	Gross	Discount	Amount Paid
113015	11/30/2015	2014-15 COOP BUYBOARD REBA 199 00 5749	808.61		808.61
TOTAL			808.61		808.61

The Local Government Purchasing Cooperative
P.O. Box 400
Austin, Texas 78767-0400
(800) 695-2919

Chase Bank, N.A. Dallas, TX
Controlled Disbursement

88-88/1132

00013221

11/30/2015

Vendor No. 1159801

EIGHT HUNDRED EIGHT AND 61/100

\$*****808.61

VOID IF NOT CASHED IN 60 DAYS

PAY TO THE ORDER OF EAGLE PASS ISD
1420 EDISON RD
EAGLE PASS TX 78852

VOID IF OVER \$808.61

February 2, 2016

Eagle Pass Independent School Distr
ggonzalez@eaglepassisd.net

RE: Report of Aggregation Fees September 2014 – August 2015

The TASB Energy Cooperative (the "Cooperative") is providing the following report of fees received by your district or entity during the last fiscal year. **THIS IS NOT A BILL OR AN INVOICE.** The Cooperative is providing this information on prior fees paid to assist your district with its compliance with Section 44.0331 of the Education Code, which states:

A school district that enters into a purchasing contract valued at \$25,000 or more under Section 44.031(a)(5), under Subchapter F, Chapter 271, Local Government Code, or under any other cooperative purchasing program authorized for school districts by law shall document any contract-related fee, including any management fee, and the purpose of each fee under the contract.


The Interlocal Participation Agreement executed by your district allows the Cooperative to collect an aggregation fee. The fees are stated in the agreements associated with each service and compensate the Cooperative for the services and functions performed under the Interlocal Participation Agreement and enable the Cooperative to pay the administrative, endorsement, licensing, marketing, and other expenses involved in successfully operating a cooperative program.

FEE PAID SUMMARY FOR SEPTEMBER 2014 – AUGUST 2015

Eagle Pass Independent School Distr
Total Usage (KWh): 20712417.109999999
Total Aggregation Fees Paid: 18102.63

If you have any questions please call us at 800-580-8272, extension 2045. Thank you for past support of the Cooperative and we look forward to providing you continued service in the upcoming year.

Respectfully,



Jason Turner
Director of TASB Energy Services