



BOARD OF SCHOOL TRUSTEES

KELLER INDEPENDENT SCHOOL DISTRICT

8B. Action

Date: August 26, 2008

**SUBJECT: APPROVAL OF SHARED SERVICES ARRANGEMENT
INTERLOCAL ELECTRICITY PROCUREMENT AGREEMENT**

BOARD GOAL: All systems in the Keller Independent School District will be effective, efficient and accountable in support of the district's mission.

FISCAL NOTE: 2008-2009 Budget

Background Information:

1. Shared service arrangements are utilized to increase efficiency of procurement of goods and services for public entities.
2. The Texas Education Agency and Texas Legislature highly encourages the use of shared services arrangements. In doing so credit is given to the District through the Schools FIRST program and in meeting the requirements for the 65% rule.
3. Shared service arrangements are a more formalized cooperative purchasing organization with one of the participating members to act as the fiscal agent in the purchase of the goods or services. A cooperative collectively bids the goods or services, but it is the responsibility of the individual member to deal with the vendor for payment.

Administrative Considerations:

1. The District currently belongs to the Energy for Schools program for our electrical needs as a cooperative member.
2. Energy for Schools has offered members a shared service arrangement through Deer Park ISD, the designated fiscal agent of the agreement, to members of the cooperative.
3. Modifying the District's participation to become a shared service arrangement member will not in any way adversely affect our original agreement that has saved the district thousands of dollars in electricity procurement contracts.
4. This arrangement requires the District to pay the Energy for Schools supplier, Reliant Energy, through Deer Park ISD.

5. The change in the workings of the cooperative to the shared service arrangement will not add any costs to the District.
6. The attached contract has been reviewed by legal counsel.

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The administration recommends the Board of Trustees approve the Shared Services Arrangement Interlocal Electricity Procurement Agreement with Energy for Schools.

Respectfully submitted,

Kent Morrison
Chief Financial Officer