

TASBO 2021 **Engage**

LEARN.
CONNECT.
GROW.



ANNUAL CONFERENCE

Tracking Aggregate Spend Using Commodity Codes

PHILLIP ELLISON, MBA, RTSBA, C.P.M., CPSM

2/17/2021

TASBO 2021
Engage



ANNUAL CONFERENCE

LEARN.
CONNECT.
GROW.

Presenter

Phillip Ellison, MBA, C.P.M., CPSM, RTSBA
Executive Director, Procurement Services
Spring ISD

BBA – Supply Management
MBA

25 years in Procurement
20 years in Public Sector

Not an insurrectionist, but played one in
Boston Harbor.



Topics for Discussion

- Legal requirements for aggregation of purchases
 - Federal regulations
 - State regulations
 - TEA & TDA guidance
- Commodity codes – A technique for tracking aggregation
 - Types of codes
 - How to apply codes
- Advantages of using commodity codes

Legal Requirements for Aggregating Purchases

- 2 CFR 200
- Texas Education Code 44.031
- TEA & TDA Guidance

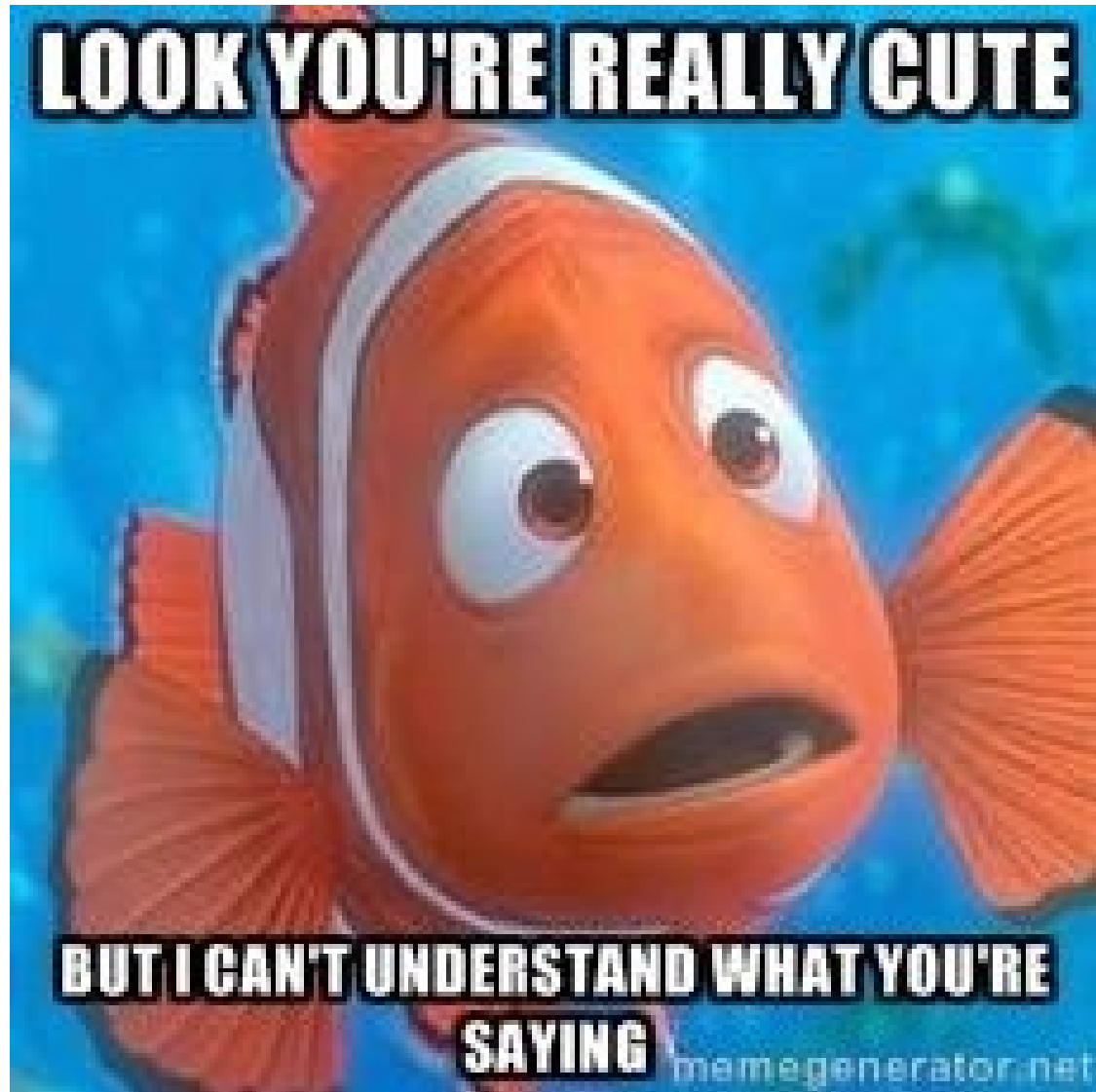
Federal Requirements

2 CFR 200.320 (a)(1)(ii-v)



“[Procurement by micro-purchase is] the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold.”

- i – Distribute equitably among qualified suppliers
- ii – Competitive quotes not required if a reasonable price
- iii – LEA may establish it's own threshold
- iv – Up to \$50K with justification – annually
- v – Can be over \$50K (but not for us)



i – Distribute Equitably

- To the maximum extent practicable
- Distribute micro-purchases equitably among qualified suppliers

ii – Pricing must be reasonable if not getting quotes

- Based on research, experience, purchase history or other info
- P-card can be used if documented procedures and approved

iii – LEA may establish micro-threshold

- Based on internal controls, risk and documented procedures
- Must not be prohibited under State or local law
- Threshold can be higher than the FAR

iv – Can be up to \$50K

- Must self-certify – annually
- Must include a justification
 - Low risk,
 - Annual internal institutional risk assessment; or,
 - Higher threshold consistent with State law
- So, is it \$50,000 or \$49,999?
- v – Allowance for over \$50K, but not for us...

Note: You can still set your own internal limits below \$50K for requiring competitive quotes.

State Requirements

Texas Education Code 44.031(a)

“Except as provided by this subchapter, all school district contracts for the purchase of goods and services, except contracts for the purchase of produce or vehicle fuel, valued at \$50,000 or more in the aggregate for a 12-month period shall be made by the method, of the following methods, that provides the best value for the district:...”

Because this is \$50,000, EDGAR must be \$49,999.

TEA Guidance

“New Flexibility” – Aggregate for Micro Purchases

- Defined by “like types” of purchases
 - Sub-Category of Commodity Code
 - Must be defined in Policy or “delegated authority”
- Aggregate applies across ALL federal funds
- What does this mean for you?
 - Quotes for all federal purchases up to \$50K unless using an awarded bid or co-op

TDA Guidance

Total amount of a single invoice for a single purchase of or transaction for product(s) and/or service(s). Separate aggregate purchase(s) may occur weekly, monthly, or annually. The total aggregate cost may be broken into multiple delivery payments which are paid as each product and/or service is delivered or when specified expectations are met.

Practical Application – Commodity Codes

- Aggregate tracking
 - What
 - When
 - How

What

- **Preferred:** If you assign commodity codes to your Purchase Order line items or at the PO level, you need to track by commodity codes.
- **No longer acceptable alternative:** Track by the vendor name and by what is being purchased from that vendor.

What is a Commodity Code?

- In order to conduct the Annual Aggregate Analysis some type of categorization is necessary. Common approaches are:
 - The FASRG Categories & Commodity Codes (3.11.1)
 - The Institute for Public Procurement (NIGP)
 - Locally defined Commodity Codes

When

- Identify a beginning date for tracking
 - Annually upon first purchase
 - Annually by fiscal year
 - Annually by grant year
- Whichever you choose, BE CONSISTENT!

How

- Spend reports by commodity
- Spend reports by vendor
- Weekly, monthly, semester, annual?
- Thresholds, velocity
- Customer visits / team meetings

Micro Purchase Tracking



- EDGAR Fund code list (NOGA based)
- Don't mix funds on your Req/PO's
 - If you do, you will have to code line items
- Code each Req/PO for a “like-type” or sub-commodity code

Fund Code List

FWISD FEDERAL AND STATE GRANTS SUBJECT TO EDGAR COMPLIANCE 2018/19

GRANT TYPE	FUND/PROJECT	GRANT TITLE	GRANT OWNERS	FUNDING SOURCE
Federal	203	PRE-K PARTNERSHIP PLANNING	CHERYL MIXON	Administered through TEA
Federal	206	TITLE III - ED HOMELESS CHILD	JUNE DAVIS	Administered through ESC 10
Federal	211	TITLE I, IMPROV BASIC PRG	MIRGITT CRESPO	Administered through TEA
Federal	211	TRANSFORMATION ZONE	SAJADE MILLER/MOLINAR	Administered through TEA
Federal	220	ADULT ED -FEDERAL	MIA HALL	Administered through TWC
Federal	223	ADULT ED-TANF	MIA HALL	Administered through TWC
Federal	224	IDEA-B, FORMULA	M SHEFFIELD/CYNTHIA SHERK	Administered through TEA
Federal	225	IDEA-B, PRESCHOOL	M SHEFFIELD/CYNTHIA SHERK	Administered through TEA
Federal	244	VOC ED-BASIC GRANT	DAVID SAENZ/TERRI WALKER	Administered through TEA
Federal	255	TITLE II-TRAIN & RECRUIT	MIRGITT CRESPO/LEZLEY LEWIS	Administered through TEA
Federal	263	TITLE III-LEP	ELDA ROJAS	Administered through TEA
Federal	273	TITLE II, B- MATH/SCIENCE	HERMAN JACKSON	Administered through TEA
Federal	276	TTIPS- ARRA	DUNBAR PRIN/C WASHINGTON	Administered through TEA
Federal	289	TITLE IX INDIAN ED	JUNE DAVIS	Administered by Federal Agencies
Federal	289	ETUDE	CHRIS WALK/ANGELA RASH	Administered by Federal Agencies
Federal	289	CDC REPRODUCTIVE HEALTH	GEORGIE ROBERTS/B SHARPLES	Administered by Federal Agencies
Federal	289	READING RECOVERY	CHERYL MIXON	Administered by Federal Agencies
Federal	289	TITLE IV SSAEP	MIRGITT CRESPO	Administered by Federal Agencies
Federal	289	P-TECH FEDERAL	DAVID SAENZ/TERRI WALKER	Administered by Federal Agencies

Sub-Commodity Codes



Commodity Code	Description
233	CONSULTANT/NON-PROFESSIONAL
233-A	CONSULTANT - UIL
233-B	CONSULTANT - TEA PROVIDED
233-C	CONSULTANT PROF DEV & TRAINING
233-D	DJ SERVICES
233-E	CONSULTANT SPEAKERS
233-F	CONSULTANT FINE ARTS
233-G	CONSULTANTS COMM SVS
233-H	CONSULTANT STUDENT SUPPORT SVS
233-I	INDIV EDUC EVAL (SPEC ED ONLY)

Micro Purchase Tracking Report



Commodity Code	PO Number	Vendor Number	Vendor Name	PO Amount	1st Account Code
233-C	81905524	2564	ABC Company	\$321.25	211-13-6299-OJE-001-99-530-000000-21103
233-C	81911145	1247	XYZ Training	\$4,215.32	289-13-6299-OJE-001-99-530-000000-21103
233-C	81915463	8942	Really Great Inc.	\$1,245.31	255-13-6299-OJE-001-99-530-000000-21103
233-C	81912245	652	Best Vendor LLC	\$589.12	244-13-6299-OJE-001-99-530-000000-21103
233-C	81912536	748	Wild West Company	\$784.21	211-13-6299-OJE-001-99-530-000000-21103
				\$7,155.21	

Aggregate Spend Analysis (Spot Purchases)

Requisition Entry - Munis [FWISD Live Data]

HOME

Accept Cancel Search Browse Query Builder Add Update Delete Global Duplicate Print Text file PDF Preview Excel Word Email Schedule Attach Notes Audit Maplink Alerts Switch Form Activate Line Items Mass Allocate Release More... Return

Main Terms/Miscellaneous

Terms	Miscellaneous
Discount % .000	Allocation ...
Freight % .000	Buyer JONATHAN.BEY Jonathan Bey
Freight meth/terms	Review
Bill to AP FWISD ACCOUNTS PAYABLE	Type N - NORMAL
Bill to email	Purchase order
Special handling N - NONE	<input checked="" type="checkbox"/> Notify originator when converted to PO/Contract.
	<input type="checkbox"/> Notify originator of overages.

Contract	Work Order
Number ...	Number ...
Description	Description
	Task ...

Requisition Type Codes:

RQ Type Code

B – Blanket

D – DEPT/EMERGENCY

E – Exported

N – Normal (Defaulted)

R – RFP-BID

Local Interpretation

= Spot Purchase

= Emergency

= Sole Source

= Local Bid/RFP/CSP/RFO

= COOP Purchase

Common Spot Purchases

- Athletic Entry Fees
- Facility Rentals
- Field Trips
- Memberships, Fees, and Dues
- Registrations for conferences
- Scholarships
- Purchases made without a Procurement Method

Assigning Commodity Codes - Application

eFinancePlus Purchase Order Information - P2007958 - SISD - Live

0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99

Date: 01/07/2021 Period: 7/21

Header Line Item (1 of 2)

Header Information

Purchase Order * P2007958 ☐ Continuous

Requisition R2009767

APPROVAL GROUP * BOND FUNDS-CONST - BOND FUNDS - CONSTRUCTION

Status * Y - Printed

Blanket ☐

Contract ☐

Confirming ☐

Vendor * 42083 Alternate Order Address

Issued 06/16/2020

Required

Expires

Terms NET 30 DAYS

Freight

Description DIR-TSO-4159

Buyer

Attention

Ship To * WHSE - SPRING ISD DISTRIBUTION CENTER

15330 KUYKENDAHL RD

281-891-6480

Encumber * Y - Post Encumbrance

Item	Description	Quantity	Price	Total	BUDGET UNIT	Account	Approval
1	W1A80A#BGJ- HP COLOR LASER JET PRO	5.00			622181032999W	6398.00	X - Poster
2	PART#: UB9S6E - ELECTRONIC HP CARE PACK	5.00			622181032999W	6249.00	X - Poster

Assigning Commodity Codes – Cont'd

eFinancePlus

Notes - SISD - Live

0

Reg No

PO No

P2007958

x

Change No

0

203-00

Reporting Using Commodity Codes

Commodity Description	Sum of PO Total	Sum of PO Pmt Amt
COMPUTER ACCESSORIES AND SUPPLIES, ENVIRONMENTALLY CERTIFIED BY AN AGENCY		
+ ACCEPTED CERTIFICATION ENTITY	\$ 5,702,598.68	\$1,282,411.08
+ Educational Services, Alternative	\$ 1,806,453.00	\$378,790.60
PUBLICATIONS, AUDIOVISUAL MATERIALS, BOOKS, TEXTBOOKS, PREPARED MATERIALS		
+ ONLY	\$ 1,724,154.22	\$1,153,611.02
*Educational: eLearning, Foreign Languages, Math, Science, Social Studies, etc.,		
+ Microcomputer	\$ 1,647,453.93	\$1,472,096.50
+ MISCELLANEOUS FEES, DUES, PERMITS, REGISTRATIONS, REBATES, POSTAGE, TAXES	\$ 1,620,949.28	\$1,421,510.58
+ COMPUTER SOFTWARE FOR MAINFRAMES AND SERVERS, PREPROGRAMMED	\$ 1,451,392.91	\$980,900.01
AUTOMOBILES, SCHOOL BUSES, SUVs, AND VANS, INCLUDING DIESEL, GASOLINE,		
+ ELECTRIC, HYBRID, AND ALL OTHER FUEL TYPES	\$ 1,433,220.00	\$1,064.20
+ EDUCATIONAL AND TRAINING SERVICES	\$ 1,286,403.75	\$334,896.28
+ HOSPITAL, SURGICAL, AND MEDICAL RELATED ACCESSORIES AND SUNDRY ITEMS	\$ 1,159,642.26	\$670,170.48
+ Therapy and Rehabilitation Services	\$ 1,070,938.00	\$305,530.50
+ Special Education Services	\$ 999,300.35	\$451,567.87
+ Buses, School and Mass Transit Maintenance and Repair	\$ 761,000.00	\$254,002.26
+ Legal Services, Attorneys	\$ 585,068.06	\$540,480.46
- Energy Management, Architectural Services	\$ 550,000.00	\$93,254.00
- ██████████ LLC	\$ 550,000.00	\$93,254.00
P2103392	\$ 550,000.00	\$93,254.00
+ SCHOOL EQUIPMENT, TEACHING AIDS, AND SUPPLIES	\$ 528,648.66	\$369,176.19
+ Professional Services (Not Otherwise Classified)	\$ 443,355.00	\$172,313.50
AIR CONDITIONING, HEATING, AND VENTILATING EQUIPMENT, PARTS AND		
+ ACCESSORIES	\$ 397,764.64	\$191,959.11
+ JANITORIAL SUPPLIES, GENERAL LINE	\$ 395,837.23	\$258,324.17

Currently
< 600 Codes

Advantages

- Higher level of customer service
- Strategic sourcing
- Negotiating power

Questions?



Commodity Codes