



Purchasing Basics for Smaller Counties in Texas

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- Statutes and Laws
- Bid and Proposals
- Purchasing “Made Easy” (Cooperatives, interlocal agreements, etc.)
- Purchase Orders
- County Purchasing Cards

Importance of Purchasing

- Transparency and Compliance
- Best value to taxpayers
- Fairness/Equal Competition

Statutes Pertaining to Purchasing

- Local Government Code:
 - 262
 - Subchapter A – General Provisions
 - Subchapter B – Purchasing Agents
 - Subchapter C – Competitive Bidding in General
 - 271 – Cooperative Purchasing
- Government Code:
 - 2254 – Professional Services
 - 2269 – Construction Projects



The screenshot shows the 'Texas Constitution and Statutes Text Search' interface. At the top, there is a header with the text 'Texas Constitution and Statutes Text Search' and a navigation menu with links for 'Home', 'Search', 'Download', and 'Statutes By Date'. Below the header, there is a search form with the following elements:

- Code(s) to Search:** A dropdown menu currently showing 'All Codes'.
- Text to Search for:** A text input field.
- Submit** and **Reset** buttons.

Local Government Code – Chapter 262

- Subchapter A – General Provisions

- 262.002

- (a) – commissioners court may purchase through the comptroller road machinery and equipment, tires, and tubes to be used by the county
 - (b) – follow commission rules
 - (c) – must be made on the requisition of the commissioners court

- 262.003

- Small, sole-source purchase exempt from competitive bidding
 - (a) – \$50,000 or less

Local Government Code – Chapter 262

- Subchapter C – Competitive Bidding

- 262.0225

- (a) – Provide all bidders with the opportunity to bid on the same items on equal terms and have bids judged according to the same standards as set forth in the specifications.
 - (b) – receive bids and proposals in a fair and confidential manner
 - (c) – a county may receive bid/proposal though electronic transmission, but shall accept any bid/proposal submitted in hard-copy form.

- 262.023

- Competitive Requirements

- (a) – Sealed bids or proposals for expenditures over \$50,000
 - (c) – Component, Separate, Sequential

LGC 262.023 (c)

- Component – purchases of the component parts of an item that in normal purchasing practices would be purchased in one purchase
- Separate – purchases, made separately, of items that in normal purchasing practices would be purchased in one purchase
- Sequential – purchases, made over a period, of items that in normal purchasing practices would be purchased in one purchase.

- 262.024 – Discretionary Exemptions (IF granted by Commissioners Court) exempt from competitive bidding
 - (1) In case of public calamity
 - (2) Necessary to preserve or protect public property
 - (3) Unforeseen damage to public property
 - (4) Personal or Professional services
 - (7) Sole Source
 - (8) An item of food
 - Etc.

Professional Services

- Clearly defined in GC 2254.002(2)
 - Most common: architect, engineer, medicine
- Vendors who are not eligible will try to claim
- Must still be granted by commissioners court
- Do not have to be exempted
 - Can be procured through RFSQ

Sole Source

- Items only available through one source
 - Patents, Copyrights, Trade Secrets
 - Books
 - Utilities
 - Captive Replacement Parts
- Obtain official (notarized) letter from vendor stating sole source
- Research (don't just take their word)
- Draft letter and present to commissioners court for exemption

Purchasing Policy

LGC 262.0245 –adopt procedures for competitive procurement, to the extent practicable under the circumstances, for purchase of an item not subject to competitive procurement

- Aids in streamlining purchasing
 - Clearly describes process for purchases under \$50,000
 - Travel
 - Appliances
 - Quoting
- Elaborate, collaborate, and borrow if you do not have and decide to write

Bids and Proposals

- Required for purchases \geq \$50,000
- No “component” purchasing
- Not covered under discretionary exemptions (LGC 262.024), current contracts, interlocals, or cooperatives.
- Confidential submissions

Bids

- Well defined scope of services or product description
- Formal Bid request issued in accordance with corresponding Statute
- Publicly opened, price read aloud, becomes public information after award
- Awarded to lowest and best valid/compliant submission
 - Exception - Road Materials

Proposals

- When it is impractical to prepare detailed specifications
- May or may not include pricing
- Publicly opened, becomes public information after award
- Evaluated by predetermined criteria set in solicitation
- Award to lowest and best evaluated offer resulting from negotiations
 - Not necessarily lowest price

Sample Evaluation Criteria

A. Experience and Qualifications	Points Possible
1. Has previous experience with similar projects	10
2. Has worked on County funded projects	10
3. Has worked with Grant related projects	10
<i>Possible Points Awarded for this Section</i>	30

B. Work Performance (references and prior experience with firm)	Points Possible
1. Past projects completed on schedule	10
2. Manages projects within budgetary constraints	5
3. Work product is of high quality	10
<i>Possible Points Awarded for this Section</i>	25

C. Capacity to Perform	Points Possible
1. Staff Level/Experience of Staff	10
2. Adequacy of Resources	10
<i>Possible Points Awarded for this Section</i>	20

D. Pricing	Points Possible
1. Proposed Cost	25
<i>Possible Points Awarded for this Section</i>	25

TOTAL 100

Purchasing “Made Easy”

- Cooperatives – Platforms that competitively procure contracts for goods and services in compliance with Texas local and state procurement requirements. (LGC 271)



- Texas Local Government Statewide Purchasing Cooperative
 - <http://www.buyboard.com>
- Department of Information Resources (DIR)
 - <http://www.dir.state.tx.us>
- Houston-Galveston Area Council of Governments (H-GAC)
 - <http://www.hgacbuy.com>
- OMNIA Partners
 - <https://www.omniapartners.com>
- The Interlocal Purchasing System
 - <https://www.tips-usa.com>
- Sourcwell
 - <https://www.sourcwell-mn.gov/>

Purchasing “Made Easy” cont.

- Interlocal Agreements – An agreement with another local government or state agency (GC 791) for purchase of goods/services through their competitive procurement.
- State Comptroller – A county may participate by adopting a resolution requesting allowance of participation. (LGC 271)



Purchase Orders

- Are they required
 - LGC 113.901
 - You are not alone
- Electronic or handwritten
- Does not give the person issuing “sole discretion”

Purchase Orders

- Checks and balances
- Purchasing “Control”/Workflow
- Upfront budget check
- Tracking of purchases

Purchase Order Process

- Determine the need for a purchase
- Follow competitive procurement policy for pricing
- Enter Requisition – initial request for purchase order
 - Allows for review of budget and compliance prior to issuance of purchase order and purchase
- Approval of purchase through commissioners court
- Purchase order issued

County Purchasing Card

- Card available through Comptrollers office
 - May be competitively procured
- Follows same competitive procurement processes
 - Budget check
 - Pricing
 - Approval
 - Purchase

Questions?

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