Purchasing Basics for Smaller Counties in Texas

Dustin Klein
Procurement Supervisor
Tom Green County
• 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
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

<table>
<thead>
<tr>
<th>A. Experience and Qualifications</th>
<th>Points Possible</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Has previous experience with similar projects</td>
<td>10</td>
</tr>
<tr>
<td>2. Has worked on County funded projects</td>
<td>10</td>
</tr>
<tr>
<td>3. Has worked with Grant related projects</td>
<td>10</td>
</tr>
<tr>
<td><strong>Possible Points Awarded for this Section</strong></td>
<td><strong>30</strong></td>
</tr>
</tbody>
</table>

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

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<thead>
<tr>
<th>C. Capacity to Perform</th>
<th>Points Possible</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Staff Level/Experience of Staff</td>
<td>10</td>
</tr>
<tr>
<td>2. Adequacy of Resources</td>
<td>10</td>
</tr>
<tr>
<td><strong>Possible Points Awarded for this Section</strong></td>
<td><strong>20</strong></td>
</tr>
</tbody>
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<table>
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<tr>
<th>D. Pricing</th>
<th>Points Possible</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Proposed Cost</td>
<td>25</td>
</tr>
<tr>
<td><strong>Possible Points Awarded for this Section</strong></td>
<td><strong>25</strong></td>
</tr>
</tbody>
</table>

**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

• Sourcewell
  • https://www.sourcewell-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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