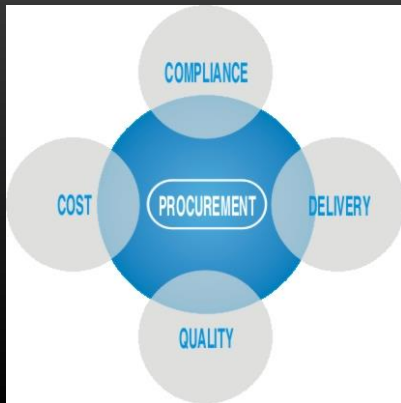




PUBLIC PURCHASING...

THE BASICS

July 18, 2014



WHY DOES IT MATTER?

- ▶ Purchasing is an essential county government business function
- ▶ Integrity and efficiency is a crucial component of its credibility
- ▶ Perception of misuse threatens the public confidence
- ▶ Maximizes competition to help reduce costs
- ▶ Fair competition for vendors
- ▶ County obtains best value – meeting specs at lowest price

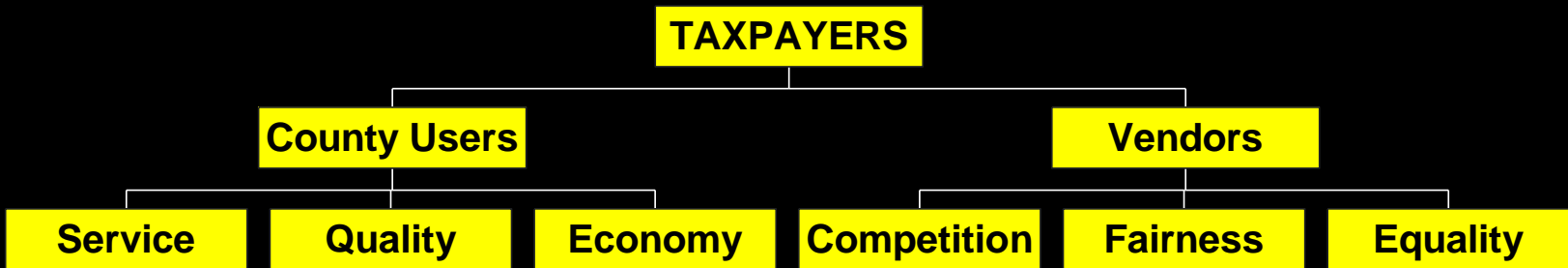
IT'S THE LAW...



Public entities require:

- Specific legal authority to make purchases
(must be budgeted before you can spend)
- All the requirements of procurement laws be met
(can not pay for it unless it was purchased according to laws)

ACCOUNTABILITY



PURCHASING AUTHORITY



Only Commissioners Court and County Purchasing Agent (with a few exceptions) have the authority to contract for the county

Purchasing Agent appointment is for a two year term (LGC 262.011)

Population under 150,000 – by a board composed of judges of the district court and the county judge

Any other county – by a board composed of three district court judges and two members of commissioners court

C **O** **N** **G** **R** **A** **T** **S**
ON YOUR
NEW
J **O** **B**

RESPONSIBILITIES



LGC 262.011

- d) The county purchasing agent shall purchase all supplies, materials, and equipment required or used, and contract for all repairs to property used, by the county or a subdivision, officer, or employee of the county, except purchases and contracts required by law to be made on competitive bid. A person other than the county purchasing agent may not make the purchase of the supplies, materials, or equipment or make the contract for repairs.
- (e) The county purchasing agent shall supervise all purchases made on competitive bid and shall see that all purchased supplies, materials, and equipment are delivered to the proper county officer or department in accordance with the purchase contract.
- (i) On July 1 of each year, the county purchasing agent shall file with the county auditor and each of the members of the board that appoints the county purchasing agent an inventory of all the property on hand and belonging to the county and each subdivision, officer, and employee of the county. The county auditor shall carefully examine the inventory and make an accounting for all property purchased or previously inventoried and not appearing in the inventory.
- (j) To prevent unnecessary purchases, the county purchasing agent, with the approval of the commissioners court, shall transfer county supplies, materials, and equipment from a subdivision, department, officer, or employee of the county that are not needed or used to another subdivision, department, officer, or employee requiring the supplies or materials or the use of the equipment. The county purchasing agent shall furnish to the county auditor a list of transferred supplies, materials, and equipment.

RESPONSIBILITIES



(l) A person who is authorized by the county purchasing agent to use a county purchasing card while making a county purchase is considered an assistant of the county purchasing agent to the extent the person complies with the rules and procedures prescribed for the use of county purchasing cards as adopted by the county purchasing agent under Subsection (o). The county purchasing agent and assistants may have any help, equipment, supplies, and traveling expenses that are approved and considered advisable by the board that appointed the agent.

(o) The county purchasing agent shall adopt the rules and procedures necessary to implement the agent's duties under this section subject to approval by the commissioners court. Notwithstanding Subsection (f) or other law, rules and procedures adopted under this subsection may include rules and procedures for persons to use county purchasing cards to pay for county purchases under the direction and supervision of the county purchasing agent. Procedures for use of purchasing cards may not avoid the competitive bidding requirements of this chapter or other requirements of county financial law.

During each two-year term of office, a county purchasing agent shall complete not less than 25 hours in courses relating to the duties of the county purchasing agent.



262.011 (f)

The county auditor may not draw and the county treasurer may not honor an electronic transfer, check, or warrant for a purchase unless the purchase is made by the county purchasing agent or on competitive bid as provided by law.

GOVERNING LAWS

- Texas Local Government Code
 - Chapters 171, 176
 - Chapters 262, 271
 - Chapter 791
- Texas Government Code
 - Chapters 2151-2161, 2253, 2254, 2269*



BASIC PURCHASING LAW LGC SECTION 262.0241



A county purchasing agent shall adopt procedures that provide for competitive bidding, to the extent practicable under the circumstances, for the county purchase of an item under a contract that is not subject to competitive bidding under Section 262.023.

HAVE A POLICY



- Procedures for purchases less than the bidding threshold
- Informal quotes/proposals:
unsealed, competitive, may be submitted by e-mail, fax, telephone or other means

HAVE A POLICY



- Requisitions from end users
- Never obligate the county without authorization
- Obtain quotes in accordance with policy (Informal/Formal)
- Rotate vendors to ensure fair competition
- Monitor separate, sequential or component purchases
- Accept lowest price when all other factors equal

BID LIMIT



\$50,000

DIFFERENT PROCUREMENT METHODS



ITB/IFB – Invitation to Bid/Invitation for Bid

RFP – Request for Proposal

RFQ – Request for Qualifications

BIDDING ESSENTIALS



LGC 262.0225

- (a) Bid on same items (specifications)
- (b) On equal terms
- (c) Judged by the same standards (as described in specifications)
- (d) Received in a fair/confidential manner
- (e) May be submitted by hard copy or electronic format (if appropriate protections have been implemented to insure fairness and confidentiality)

DEVELOPING SPECIFICATIONS



- Specifications determined by requesting department
- Must identify a minimum requirement by a scope of work or product specification
- Allows for maximum competition – cannot be too restrictive
 - Can identify quality
- Contributes to obtaining the best value at the lowest possible cost using fair, equitable and transparent contract award processes.
- Specifications cannot be prepared by a single vendor

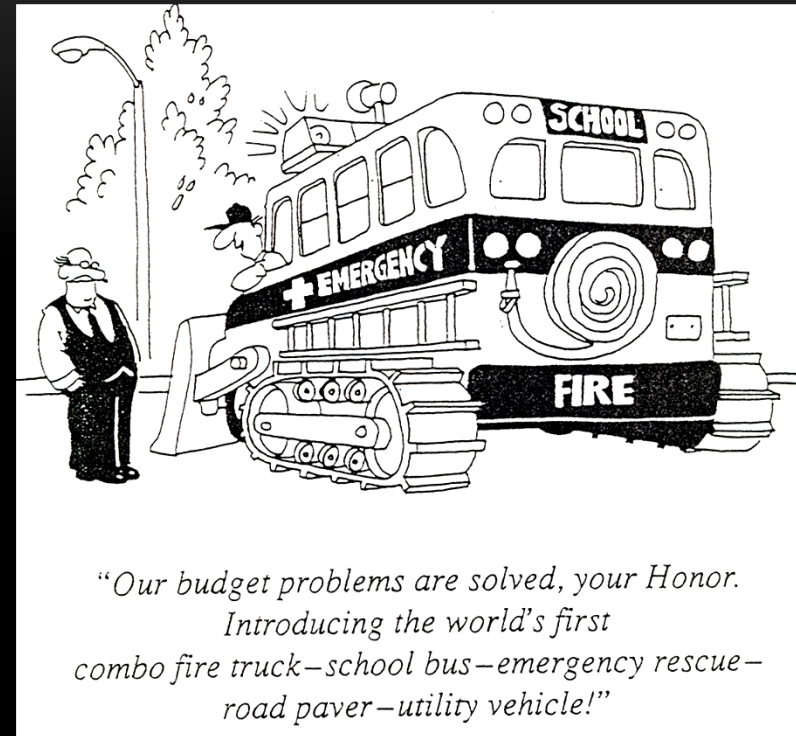
SPECIFICATIONS TYPES

- “Or Equal”
- Brand Name
- Performance
- Qualified Product List
- Design or Engineering
- Samples
- Minimum Requirements



CHALLENGES

- Well Defined Requirements
 - Complete specifications = minimal contract management problems
 - less opportunity for protests
 - Equity in competition



REQUEST FOR PROPOSALS

- LGC 262.030
- Used for purchase of specific items allowed by law
- Specifications must include the relative importance of price and other evaluation criteria as set forth in the proposal (evaluation criteria)
- RFP's must be opened to avoid disclosure of contents
 - Revisions permitted after submission and before award to obtain a best and final offer.

LEGAL NOTICE REQUIRED



- Published at least once a week with the first day of publication before the 14th day before the date of bid opening
- If no newspaper, post at courthouse 14 days before bid opening.
- Legal notice must contain
 - Where to get specifications
 - Time and place for receiving and opening bids
 - Method of pricing – unit price/lump sum
 - Method of payment by county
 - Type of bond required

AWARD

LGC 262.027



Opened bids must be presented to Commissioners Court in session

Court shall award the contract to the responsible bidder who submits the lowest and best bid or reject all bids and start again.

Tie bids are to be determined by drawing of lots.

STATE COMPTROLLER & COOPERATIVE PURCHASING



- **Benefits**
 - Authorized by LGC 271.102 Interlocal Participation Act
 - Boost Purchasing Power
 - Get Best Value for Purchases
 - Variety of Commodities
 - Thousands of Vendors



- Texas Comptroller – State Purchasing

(formerly known as Texas Building & Procurement Commission)

<http://www.window.state.tx.us/procurement>



Window on State Government

Susan Combs Texas Comptroller of Public Accounts

[Páginas en español](#) | [Contact Us](#)

Site Search

Quick Start for:

[Citizens](#)

[Business](#)

[Government](#)

[HOME](#)

[ABOUT US](#)

[TEXAS TAXES](#)

[EDUCATION](#)

[FINANCES & ECONOMY](#)

[STATE PURCHASING](#)

[FORMS](#)

[e-SERVICES](#)

*Making it fast and easy
to do business with*
Texas



Most Popular

- [Sales & Use Tax](#)
- [Franchise Tax](#)
- [Local Property Tax](#)
- [Local Sales & Use Tax](#)
- [Property Tax Forms](#)
- [Search State Payments Issued](#)
- [TEXNET - Electronic Payment Network](#)
- [Unclaimed Property Auctions](#)

[Monthly State Revenue Watch](#)

[Texas Unclaimed Property](#)

Report and Pay Electronically



[Start Now](#)

I Want To...

- [File/pay sales and other taxes with WebFile](#)
- [Search for unclaimed property](#)
- [Find a tax form](#)
- [Get information about a Texas tax](#)
- [Search Franchise Tax Account Status](#)

State Purchasing

- ### I Want To...
- ▶ Register as a Texas vendor
 - ▶ Learn more about HUB certification
 - ▶ View or search bids on ESBD
 - ▶ Search for vendors
 - ▶ Look up NIGP commodity codes

State Contracts >>

- ### Programs
- Strategic Sourcing
 - Statewide Purchasing Operations
 - Centralized Master Bidders List (CMBL) Program
 - Historically Underutilized Business (HUB) Program
 - Training & Certification Program
 - State of Texas CO-OP Purchasing
 - Texas Multiple Award Schedules (TXMAS)
 - Contract Management Office

Stretching Every Dollar with Smarter Spending


The State Purchasing teams award and manage hundreds of statewide contracts on behalf of more than 200 state agencies and 1,900 local government CO-OP members.

With a massive marketplace and billions of dollars in purchasing power, Texas offers abundant opportunities for vendors of a wide variety of goods and services, including minority- and women-owned businesses. Texas is focused on maximizing best value in purchasing through a continuous process of analysis and optimization that promises additional efficiencies and cost savings.



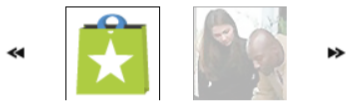
TxSmartBuy
Learn about the New TxSmartBuy »

State Purchasing Highlights



New TxSmartBuy Launches in June

The new TxSmartBuy system will launch Mon., June 2, 2014. To ensure all data is transferred to the new system, the current



Vendor Information Center >>

Find a Texas Vendor:

Search for CMBL/HUB Vendors

Register or Modify Your Vendor Profile Online:

Vendors can now access our upgraded registration system to get started in either the CMBL and/or HUB programs via the MyCPA Secure Login Portal.

Apply for CMBL or HUB

Procurement News Feed

Also available via the [Procurement email list](#)


State Purchasing

- Resources**
- [How to Join](#)
 - [CO-OP Members List](#)
 - [How to Order](#)
 - [Training Opportunities](#)
 - [State of Texas CO-OP Member Travel Eligibility](#)
- Publications**
- [CO-OP Manual \(PDF\)](#)
 - [CO-OP Forms Library](#)
 - [CO-OP Announcements](#)

State of Texas CO-OP Purchasing

Created by legislation in 1979, the Texas Procurement and Support Services Cooperative Purchasing Program (State of Texas CO-OP) provides the State of Texas volume purchasing power to local governments and assistance organizations. Members can purchase goods and services from state term contracts, TXMAS contracts, and piggyback contracts. Using these services through the State of Texas CO-OP will meet your competitive bidding requirements.

Member Benefits

- **Save Time and Money:** Take advantage of the State of Texas' \$13 billion purchasing power, resulting in better pricing on hundreds of goods and services on contract that you don't have to solicit individually
 - **Order Online:** Purchase hundreds of items online using [TxSmartBuy](#)
- 
- **Find Vendors:** Search thousands of vendors on the Centralized Master Bidders List (CMBL)
 - **Increase Competition:** Post bid notices and awards online for free on the [Electronic State Business Daily](#)
 - **Earn Rebates on Qualified Purchases:** Obtain payment charge cards through the use of the state's term contract.
 - **Save on Fuel:** By using the state fuel card contract, members do not have to pay federal fuel taxes or file for reimbursement and will receive [quarterly rebates](#)

State Purchasing Programs

- Related Links**
- [TxSmartBuy](#)
 - [Term Contracts](#)
 - [Term Contract Purchase Orders](#)
 - [TXMAS Program](#)
 - [Local Government Assistance](#)

External Links

- [DIR Store](#)



- Term Contracts
- Piggyback Contracts
- TXMAS (Texas Multiple Award Schedule)
- DIR (Department of Information Resources)
- Texas Correctional Industries
- TIBH Texas Institute for the Blind & Handicap



PURCHASING COOPERATIVES



Saves tax dollars by pooling purchases

Satisfies Bid requirements

Requires a inter-local between entities

Language required in BID/RFP specifications allowing cooperative purchases

May be fees associated with using

SAMPLING OF COOPERATIVES...

- HGAC
- Buy Board (TASB)
- US Communities
- NPP - National Purchasing Partners
- TCPN - Texas Cooperative Purchasing Network
- NJPA – National Joint Power Purchasing Alliance
- County Contracts (i.e. Tarrant County)



PURCHASING ASSOCIATIONS

- Institute for Supply Management (ISM)/National Purchasing Institute (NPI)
- National Institute of Governmental Purchasing (NIGP)
- Texas Public Purchasing Association (TXPPA)

ETHICS



- Entrusted with public funds (Taxpayer \$'s)
- Shapes public trust in procurement process
- Required by law
- Just because it is the right thing to do

PROCUREMENT FRAUD



Dishonestly obtaining an advantage, avoiding an obligation or causing a loss to public property during the procurement process by public servants, contractors or any other person involved in the procurement process.



DO'S AND DON'TS

Do –

- Be open to finding new ways to make legal purchases
- Have a purchasing policy
- Make ethical decisions



DO'S AND DON'TS

Don't break the law ...

- Make a purchase over \$50,000 without formal bids or RFP's
- Make separate, sequential or component purchases in order to avoid competitive bidding
- Grant an sole source not compliant with law
- Write specifications that are biased



HELPFUL RESOURCES

- TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

<http://www.window.state.tx.us/procurement/prog/coop/>

- TEXAS COMPTROLLER OF PUBLIC ACCOUNTS MODEL PURCHASING MANUAL FOR TEXAS CITIES AND COUNTIES 2010 [http://www.texasahead.org/lga/finances/purchasing/96-449 Model Purchasing Manual 11 10.pdf](http://www.texasahead.org/lga/finances/purchasing/96-449_Model_Purchasing_Manual_11_10.pdf)

- CMBL

<http://www.cpa.state.tx.us/procurement/cmb/cmbhub.html>



Ramona Womack, CPPO, CPPB

Director of Purchasing

Comal County

830-643-5850

purrijw@co.comal.tx.us