

*Welcome to County*

*Purchasing*

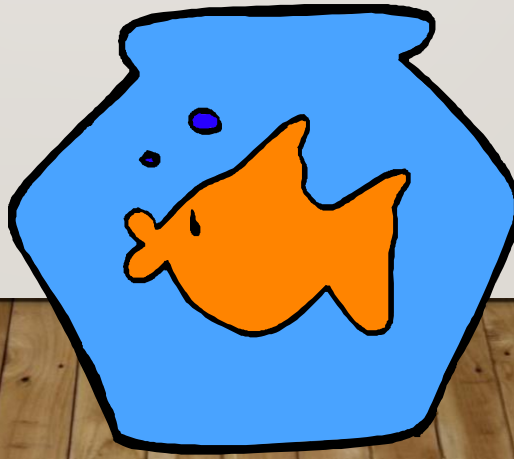
# WHY IS PURCHASING IMPORTANT?

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**Purchasing is an essential county government business function**

**Integrity and efficiency are crucial components of its credibility**

**Perception of misuse threatens the public confidence**



# ACCOUNTABILITY

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What i'm about to tell you is gonna change your life forever. Are you really sure you want to know it?



# TEXAS FINANCE LAWS LOCAL GOVERNMENT CODE

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## **Sections 113.043, 111.065, 140.003, and 111.093**

- Cannot spend unless budgeted
- Cannot pay if purchase was not according to law
- Purchases shall be made in accordance with requirements of LGC 262
- Auditor must verify availability of funds (encumber) for contract to be enforceable (population over 225,000)

## **LGC 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.

# COUNTY PURCHASING ACT CHAPTER 262 LOCAL GOVT. CODE

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Subchapter A – General Provisions

Subchapter B – Purchasing Agents

Subchapter C – Competitive Bidding in General

# CHAPTER 262 LOCAL GOVERNMENT CODE

## SUBCHAPTER B – PURCHASING AGENTS

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### § 262.011 - Purchasing Agent

- (a) Board may appoint Purchasing Agent (2 year term)
  - Under 150,000 –District Courts Judges and County Judge
  - Over 150,000 – 3 District Court Judges and 2 Commissioners Court (variations)
  
- (d) County Purchasing Agent shall purchase all supplies, materials, and equipment required or used, by the county or a subdivision, officer, or employee of the county...a person other than the county purchasing agent may not make the purchase of the supplies, material, or equipment or make the contract for repairs.
  
- (e) The county purchasing agent shall supervise all purchases made on competitive bid.

# CHAPTER 262 LOCAL GOVERNMENT CODE

## SUBCHAPTER B – PURCHASING AGENTS

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### **§ 262.0115 - Purchasing Agents in Counties with Population of More than 100,000**

- (a) Commissioners Court may employ a person to act as county purchasing agent (if one has not been appointed under 262.011 and not been abolished)
- (b) Purchasing Agent shall carry out the functions prescribed under 262.011 and for any administrative function of the county auditor regarding county purchases and contracts and public bidding
- (c) Position may be abolished at any time and county auditor shall assume the functions regarding competitive bidding



# CHAPTER 262 LOCAL GOVERNMENT CODE

## SUBCHAPTER C – COMPETITIVE BIDDING

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### § 262.0225 Competitive Procedures

- (a) All bidders shall have the opportunity to:
  - bid on the same items
  - on equal terms
  - have bids judged by the same standards as set forth in the specifications
  
- (b) Bids and proposals will be received in a fair and confidential manner
  
- (c) Bids may be accepted through electronic submission, but county must also accept any bids or proposals submitted in hard-copy

# CHAPTER 262 LOCAL GOVERNMENT CODE

## SUBCHAPTER C – COMPETITIVE BIDDING

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### § 262.023 Competitive Requirements

- (a) Sealed bids or proposals required for purchases exceeding \$50,000
  
- (c) Applies to purchase of one or more items
  - Component – component parts of an item
  - Separate – normally purchased in one purchase
  - Sequential – purchases over time

# CHAPTER 262 LOCAL GOVERNMENT CODE

## SUBCHAPTER C – COMPETITIVE BIDDING

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### § 262.024 Discretionary Exemptions

- (a) Exempt from bidding IF Commissioners Court by order grants the exemption (*not all-inclusive*):
- (1) In a case of public calamity
  - (2) To preserve or protect public health or safety
  - (3) Unforeseen damage to public property
  - (4) Personal or professional services
  - (6) Land or right of way
  - (7) Sole source purchases
  - (8) Food
  - (9) Personal property sold at auction

# CHAPTER 262 LOCAL GOVERNMENT CODE

## SUBCHAPTER C – COMPETITIVE BIDDING

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### **§ 262.0245 Competitive Procedures**

Purchasing Agent or Commissioners Court shall adopt procedures that provide for competitive procurement, to the extent practicable for purchases not subject to competitive procurement

### **§ 262.025 Competitive Bidding Notice**

### **§ 262.027 Awarding of Contract**

### **§ 262.030 Competitive Proposal Procedure**

### **§ 262.0234 Criminal Penalties**

# BID VERSUS PROPOSAL

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<b>Activity Description</b>	<b>Competitive Sealed Bids</b>	<b>Competitive Sealed Proposals</b>
<b>When to use</b>	When specifications or statement of work is well defined	When agency looks for proposer to develop and provide ideas or solutions
<b>Opening</b>	Public – price announced; and all data available to other bidders and the public	Public – only names of proposers are read; no pricing or other data made available (subject to local laws)
<b>Evaluation</b>	Based strictly on specifications – no material changes allowed	Based on quality with evaluation committee assigning weighted values to various parts of proposal
<b>Discussion</b>	None	Discussion may be conducted with each proposer to determine understanding of proposal requirements
<b>Negotiation</b>	None	Each qualified supplier is requested to submit a Best and Final Offer as a result of the in-depth review
<b>Award</b>	Lowest Responsible and Responsive Bidder	Best Value Proposal – not necessarily lowest price

# OTHER STATUTES PURCHASING COMPLIES WITH

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- **LGC, Chapter 263**—Sales or Lease of County Property
- **LGC, Chapter 271**—Purchasing and Contracting by Municipalities, Counties and Certain Other Local Governments – Public Property (Cooperative Contracts)
- **GC 2254** - Professional and Consulting Services
- **GC, Chapter 2269**—Construction Delivery Methods

# OTHER STATUTES PURCHASING COMPLIES WITH

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- **Code of Criminal Procedures, Art. 18.17**-- Disposition of Abandoned or Unclaimed Property
- **Code of Criminal Procedures, Art. 59.06**— Disposition of Forfeited Property
- **Human Resources Code, Chapter 122**—Council on Purchasing from People with Disabilities
- **GC, Chapter 225 I**—Prompt Payment Act
- **GC, Chapter 2267** -P3 Construction Method
- **Occupation Code Chapter -1001** Engineering
- **Occupation Code Chapter -1051** Architecture

# OTHER STATUTES PURCHASING COMPLIES WITH

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- **GC 2252, Subch. A**—Nonresident Bidders
- **GC 2252, Subch. B**—Interest on Retained Public Works Contract Payments
- **GC 2252, Subch. F** – No Foreign Terrorists, Iran, Sudan
- **GC 2253**—Public Work Performance and Payment Bonds
- **GC 2260** Resolution Certain Claims Against State
- **GC 2270 & 808** Israel Preference
- **Worker's Compensation Agency, Rule 110.108 & 110.110**—Requirements for Worker's Compensation Coverage
- **GC, Chapter 791**—Interlocal Cooperation Act
- **GC, Chapter 2258**—Prevailing Wage Rates
- **LGC, Chapter 140**—Financial Provisions Affecting Local Governments
- **LGC, Chapter 171 and 176**-- Regulation of Conflicts of Interest



The background features the official seal of Denton County, Texas. The seal is circular and contains a central five-pointed star. The star is surrounded by a wreath of green leaves and branches. The words "DENTON COUNTY, TEXAS" are written in a circular path around the star, with "DENTON" on the left, "COUNTY," at the top, and "TEXAS" on the right. The seal is set against a dark, semi-transparent background.

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