



LOCAL GOVERNMENT COOPERATIVE PURCHASING

It's Not Just for Widgets Anymore

Texas City Attorneys Association
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Why This Topic?

- Consider Action on a Resolution to Approve the Purchase of a Firewall System from Centre Technologies and a Service Level Agreement with Check Point Software Technologies, LTD., for Software Technical Support and Hardware Replacement Services in an Amount Not to Exceed \$165,485.37, Authorizing The City Manager to Execute The Agreement.
- Consider Action on a Resolution to Approve the Purchase of Network Infrastructure from Centre Technologies and an End User License Agreement with Datrium, Inc. for the Installation of Hardware, Software, and Technical Support Services in an Amount Not to Exceed \$311,637.63, Authorizing The City Manager to Execute The Agreement.

Competitive Bidding Requirement

- Before a municipality may enter into a contract that requires an expenditure of more than \$50,000 from one or more municipal funds, the municipality must:
 - Comply with statutory procedure for competitive sealed bidding or competitive sealed proposals, including high technology items or insurance;
 - Use the reverse auction procedure, as defined by section 2155.062(d), Government Code, for purchasing; or
 - Comply with certain statutorily prescribed methods of construction procurement.

Cooperative Purchasing

- The Texas Legislature has provided government entities the ability to purchase goods and services in cooperation with one another
- The legislature cast a wide net for local governments to contract interlocally. The types of contracting is not limited to those specifically for the purchase of goods or services
- Cooperative agreements are beneficial to cities. They pool the resources of several municipalities or an organized government entity and one or more contract(s) are executed on behalf of the cooperative



- Local Government Code – Section 252.022 – General Exemptions
- Local Government Code – Ch. 271, Subchapter D – State Cooperation in Local Purchasing Programs
- Local Government Code – Ch. 271, Subchapter F – Cooperative Purchasing Program

Statutory Provisions Authorizing Cooperative Purchasing

Ch. 252 - Section 252.022 – General Exemptions

- 252.022 – General Exemptions. (a) This chapter does not apply to an expenditure for:

...

(12) personal property sold:

...

(C) by a political subdivision of this state, a state agency of this state, or an entity of the federal government; or

(D) Under an interlocal contract for cooperative purchasing administered by a regional planning commission established under Chapter 391;

....

- Ex. H-GAC Cooperative Purchasing Program – HGAC Buy
 - 7728 Products & Services
 - 841 Vendors
- *Sample contract in paper*
 - WHEREAS, the Contractor has agreed to perform such **services** in accordance with the specifications of the Agreement;
 - The **services** to be performed by the Contractor are outlined in an Attachment to this Agreement.
 - Attachment A has NO services identified
 - Special Provisions – **End User Agreement**

Houston- Galveston Area Council

Ch. 271, Subchapter D – State Cooperation in Local Purchasing Programs

- Purchasing co-op created by the Comptroller's office to extend state contract prices to local governments
- Local government may participate by filing resolution adopted by city council with the Comptroller's office
- Local government purchase through co-op satisfies any state law requiring competitive bidding
 - Examples – Texas Department of Information Resources for Technology "DIR", Texas Procurement and Support Services "TPASS", Texas Smart Buy "TxSmartBuy"

Ch. 271, Subchapter F - Cooperative Purchasing Program

- §271.102 – (a) A local government may participate in a cooperative purchasing program with another local government of this state or another state or with a local cooperative organization of this state or another state.
- §271.102 – (c) A local government that purchase goods or services under this subchapter satisfies any state law requiring the local government to seek competitive bids for the purchase of goods or services.

- City Council must pass a resolution authorizing cooperative purchasing with the other municipality.
- If the purchase is for services, an end user agreement is essential.
- *See resolution, original agreement, end user agreement in paper.*

City to City Purchasing Agreement

- Do NOT use to find approved Vendor to act as third-party to avoid bidding for goods and services
- Do NOT assume that the Coop has a contract that covers your agreement with the Vendor

How NOT to use Cooperative Agreements

How to EFFECTIVELY use Cooperative Agreements

- Read through the Co-op's documents
- Almost always use an End User Agreement
- TRAIN your city's staff



Questions?

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