

# HGACBuy Smart Purchasing Solution

## USING THE PROGRAM

### Types of Participating End Users:

- Municipalities, Cities, Counties and State Agencies
- Councils of Government
- Schools, School Districts, Colleges, Universities
- Hospitals and Hospital Districts
- Emergency Medical Services and Services Districts
- Volunteer Fire Departments and Rural Fire Prevention Districts
- Special Law Enforcement Jurisdictions
- Judicial Courts & Districts
- Emergency Communications Districts
- Utility Districts (MUDs, WCIDs, Irrigation, etc.)
- Special Districts
- Authorities (Airport, Port, River, Water, Toll Road, etc.)
- State Agencies
- Not-for-Profit Corporations [501(c)(3)] providing government functions and services.  
(Special requirements apply: See Program Info/Executing an Interlocal Contract with HGACBuy)

### The Texas Interlocal Cooperation Act

Most States in the United States have either Interlocal Cooperation or Joint Powers authority to allow local governments in those states to join and participate in programs like HGACBuy.

In 1971, the Texas Legislature passed the Interlocal Cooperation Act [Texas Government Code, Title 7, Chapter 791] to promote activities among local governments across Texas. Any local government or non-profit providing government services may contract or agree with one or more local governments under the terms of this Act to conduct purchasing and other administrative functions. The following excerpt from the Act states that... "The Interlocal Cooperation Act's purpose is to improve the efficiency and effectiveness of local governments by authorizing the fullest possible range of inter-governmental contracting authority at the local level including contracts between all political subdivisions of the state and agencies of the state.

## **Legal Authority**

Governmental entities join HGACBuy by execution of an Interlocal Contract (ILC) which can be found on the HGACBuy website under Program Info.

By executing the ILC, the End User represents and warrants to H-GAC that (1) it is eligible to contract with H-GAC under the Act because it is one of the following: a qualifying non-profit corporation, county, municipality, special district, or other political subdivision of the State of Texas, or another state, and (2) it possesses adequate legal authority to enter into this Contract.

## **Scope of H-GAC's Professional Services**

When participating in HGACBuy, members make their purchase orders out to, and directly pay, the HGACBuy contractor. However, H-GAC does act as the designated purchasing agent on behalf of participating End Users by performing specific services including, but not limited to:

- Conducting research and surveys
- Developing specifications for each product/service
- Soliciting vendor participation
- Issuing specifications documents
- Conducting pre-bid/pre-proposal conferences
- Opening bid/proposal responses
- Evaluating responses
- Issuing Vendor Contracts awarded by the H-GAC Board of Directors
- Certifying contract validity
- Contracts Administration

## **Interlocal Contract Renewals**

Provisions of the Interlocal Cooperation Act provide for annual renewal of Interlocal Contracts. The contract document issued by HGACBuy contains a provision for automatic annual renewal. Unless an updated contract document is requested, or statutory change occurs, the initial enactment could remain in effect in perpetuity. A permanent identification number is assigned to each End User contract.

## **Purchasing Statutes Applied to H-GAC Competitive Bid Process**

Products offered through HGACBuy have been subjected to either the competitive bid or competitive proposal format based on Texas statutes for Councils of Governments under the Local Government Code Chapter 252. The 76th Legislature, Regular Session, added language that stipulates Councils of Governments shall specifically use "municipal bidding statutes". As administrator, H-GAC's rules of

governance apply. In evaluating bid and proposal responses, HGACBuy takes into account any prospective contractor's ability to meet performance requirements. Factors considered include number and location of sales/service facilities, depth of staff, qualifications of technical support personnel, and business continuity. Contractors are expected to service all End Users participating in the Program wherever possible, practical, and not contrary to franchise or dealership agreements.

### **H-GAC Board of Directors Awards All Contracts**

The Board of Directors composed of 35 elected officials awards all H-GAC cooperative purchasing contracts. As a political subdivision of the State of Texas, Board agenda are publicly posted in advance of public meetings. Board meetings are customarily held on the third Tuesday of each month in H-GAC Conference Room A, Second floor, 3555 Timmons Lane, Houston. The Houston-Galveston Area Council is one of Texas' 24 regional councils of governments.

### **Steps To Placing Purchase Orders Through HGACBuy**

#### ***Step 1: (first time only)***

Execute the "Interlocal Contract" (ILC) found on the HGACBuy website under [Program Info](#), and return to H-GAC. H-GAC will sign two copies and return one to the End User for their records. The ILC may be faxed to 713-993-4548 for expedited processing.

#### ***Step 2:***

Obtain specific [product details](#) from the HGACBuy website, [www.HGACBuy.org](http://www.HGACBuy.org). Then, contact the contractor's nearest representative for additional assistance and a definitive price quotation. Contractor information can be found at the bottom of each contracts web page under Products Available.

#### ***Step 3:***

Prepare and submit your purchase order directly to the relevant HGACBuy contractor, after completing consultation with the contractor's representative. A copy of the order along with a copy of the contractor's written quotation shall be faxed or mailed to HGACBuy at FAX: 713-993-4548. Orders should include specific details regarding the purchase (i.e., name of the End User's contact person, shipping/delivery instructions, and installation details, if any). HGACBuy contractors will then invoice End User for all purchases, and End User will pay the contractor directly following delivery and acceptance.

### **NOTE: Performance Bond**

HGACBuy's contractual requirements no longer include a Performance Bond, and bid pricing should reflect this cost saving. However, Contractor must be prepared to offer a Performance Bond to cover any specific order, if so requested by End User. Contractor shall quote a price to End User for provision of any requested Performance Bond. If Performance Bond is requested by End User for a particular

order, Contractor agrees to furnish the Performance Bond within ten (10) days of receipt of End User's purchase order.

### **HGACBuy Order Confirmation**

When the copy of a purchase order and contractor's written quotation are received by HGACBuy (see Step 3 above), an Order Confirmation is prepared and sent to the Member and the Contractor - authorizing the Contractor to proceed with the order.

### **Remitting End User Payments For Products and Services Rendered**

The prompt payment requirements for products and services rendered through cooperative purchasing states that "...upon delivery of the goods and services purchased, and presentation by HGACBuy contractor of a properly documented invoice, the End User shall promptly, and in any case within thirty (30) days, pay the HGACBuy contractor the full amount of the invoice.

All contracts between HGACBuy and its contractors require prompt payment upon delivery of products/services to an End User.

### **Ownership Passes Directly From Contractors to End Users**

HGACBuy does not at any time take title to any product. Contractors assign ownership directly to End Users.

### **Reimbursement of HGACBuy's Operational Costs**

The HGACBuy program is solely funded through the assessment of an administrative fee paid by the contractor on each order.

### **End Users Invited to Attend Pre-Bid Conferences**

HGACBuy schedules publicly announced pre-bid/pre-proposal specification conferences with manufacturers, distributors, representatives, and dealers for the various product categories offered. These conferences, held throughout each year, are widely attended by the various industry groups represented in the Program. End Users are invited to attend these conferences also. See a listing of scheduled pre-bid conferences on the HGACBuy website under Bid Notices.

### **3-Way Partnership At Work**

The three-way partnership between HGACBuy, Program End Users, and Contractors is a very important relationship that provides vital links to ensure effective cooperative results. Clear, concise communication is essential to making the partnership effective and successful. The contact path includes all three parties: HGACBuy, End User, and Contractor.

**H-GAC's Role:** HGACBuy's role is to conduct product research and surveys, write technical specifications, conduct pre-bid conferences, open bids, and evaluate responses. After contracts are awarded by the H-GAC Board, HGACBuy certifies contract validity, and administers contracts.

**The End User's Role:** End Users are expected to consult with Contractors' representatives for the purpose of determining the exact requirements needed to serve constituents. End Users work with Contractor's representatives to detail and complete all documentation required when submitting purchase orders.

**The Contractor's Role:** HGACBuy relies upon its Contractors to quickly respond to End User inquiries that provide detailed product information and pricing, including priced options for specific products. Contractors' representatives work closely with each End User to meet specific constituent needs.

### **H-GAC's Bid Notices**

The Program's Coordinator for Specifications & Bids directs the bid/proposal cycle for products and services that HGACBuy desires to place under contract on behalf of Members. The near term schedule of procurements is posted on the HGACBuy website under Bid Notices.

### **Distribution of H-GAC Product Specifications**

Product/service specifications and Invitations To Submit Competitive Bids/Proposals are distributed by email to all prospective responders that HGACBuy is aware of. The documents are also posted on the HGACBuy website, and the legally required notices are posted in newspapers, including minority-emphasis publications.

### **End User Benefits**

HGACBuy offers significant benefits to participating End Users whether large, medium, or small size.

- Expedited procurement
- Volume purchasing discounts
- On-duty professional staff assistance
- Research and development of technical specifications
- Contract administration

### **H-GAC Web Site**

Information on products under contract through HGACBuy can be accessed through the web site. The web site contains the following:

- Product categories with base bid prices
- Contractors' representatives with telephone numbers

- H-GAC staff telephone numbers and e-mail addresses
- Listing of Specifications Conferences
- Listing of Bid opening dates for each product category

### **Contacting HGACBuy**

3555 Timmons Ln, Suite 120  
Houston, TX 77027

Phone: 800-926-0234

Fax: 713-993-4548

Web: [www.HGACBuy.org](http://www.HGACBuy.org)

Individual staff phone numbers and emails may be found on the HGACBuy website under Program Staff.

### **AUTHORIZING STATE STATUTES**

Tennessee Code Annotated

Title 12 Public Property, Printing and Contracts

Chapter 3 Public Purchases

12-3-1205

(b)(1) Notwithstanding any other law to the contrary, any municipality, county, utility district, or other local government of the state may participate in, sponsor, conduct, or administer a cooperative purchasing agreement for the procurement of any goods, supplies, services, or equipment with one (1) or more other governmental entities outside this state, to the extent the laws of the other state permit the joint exercise of purchasing authority, in accordance with an agreement entered into between or among the participants; provided, such goods, supplies, services, or equipment were procured in a manner that constitutes competitive bidding and were advertised, evaluated, and awarded by a governmental entity and made available for use by other governmental entities.

(3) The powers conferred by this section are in addition and supplemental to the powers conferred by any other law, and any limitations imposed by this section shall not affect powers conferred by any other law.

(4) This subsection (b) shall not apply to:

(A) Purchases of new or unused motor vehicles, unless the motor vehicles are manufactured for a special purpose as defined in § 12-3-1208; or

(B) Purchases of construction, engineering or architectural services, or construction materials.

**End User****City****Tennessee**

Appalachia Service Project (TN)	Johnson City
ARCH - Appalachian Regional Coalition on Homelessness (TN)	Johnson City
City of Alcoa (TN)	Alcoa
City of Bolivar (TN)	Bolivar
City of Brentwood (TN)	Brentwood
City of Cleveland (TN)	Cleveland
City of Covington (TN)	Covington
City of Dayton (TN)	Dayton
City of Eagleville (TN)	Eagleville
City of Franklin (TN)	South Franklin
City of Gallatin (TN)	Gallatin
City of Germantown (TN)	Germantown
City of Henderson (TN)	Henderson
City of Kingston (TN)	Kingston
City of Lebanon (TN)	Lebanon
City of Lewisburg (TN)	Lewisburg
City of Loudon (TN)	Loudon
City of Martin (TN)	Martin
City of Milan (TN)	Milan
City of Millington (TN)	Millington
City of Morristown (TN)	Morristown
City of Mt. Juliet (TN)	Mt. Juliet
City of Munford (TN)	Munford
City of Murfreesboro (TN)	Murfreesboro
City of Newport (TN)	Newport
City of Paris (TN)	Paris

City of Pigeon Forge (TN)	Pigeon Forge
City of Portland (TN)	Portland
City of Smithville, TN	Smithville
City of Springfield (TN)	Springfield
City of White House (TN)	White House
Fayette County (TN)	Somerville
Fayette County School Board (TN)	Somerville
Franklin County (TN)	Winchester
Grundy County Board of Education (TN)	Altamont
Hardin County (TN)	Savannah
Hendersonville Utility District (TN)	Hendersonville
Karns Volunteer Fire Department (TN)	Knoxville
Lakeway Area Metropolitan Transportation Planning Organization (TN)	Morristown
Obion County Government (TN)	Union City
Rutherford County Board of Education (TN)	Murfreesboro
Rutherford County Government (TN)	Murfreesboro
Town of Ashland City (TN)	Ashland City
Town of Atoka (TN)	Atoka
Town of Gilt Edge (TN)	Burlison
Town of Signal Mountain (TN)	Signal Mountain
Town of Smyrna (TN)	Smyrna
Walden:s Ridge Emergency service (TN)	Signal Mountain
West Warren-Viola Utility District (TN)	Morrison
White County (TN)	Sparta
Wilson County Board of Education (TN)	Lebanon