



WORKSHOP NOTICE

**WATAUGA CITY COUNCIL
CITY HALL COUNCIL CHAMBER
7105 WHITLEY ROAD, WATAUGA, TEXAS 76148
JANUARY 14, 2019
5:30 P.M.**

Notice is hereby given that City Council will conduct a workshop on January 14, 2019 at 5:30 p.m., at City Hall Council Chamber, 7105 Whitley Road, Watauga, Texas.

The purpose of said workshop is to discuss Texas Procurement Laws and provide an overview of Purchasing within the City of Watauga's Finance Department, and existing contracts.

NOTICE

THIS FACILITY IS WHEELCHAIR ACCESSIBLE AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR ACCOMMODATIONS OR INTERPRETIVE SERVICES MUST BE MADE 48 HOURS PRIOR TO THIS MEETING. PLEASE CONTACT THE CITY SECRETARY'S OFFICE AT (817) 514-5825, OR FAX (817) 514-3625.

I, Zolaina R. Parker, City Secretary for the City of Watauga, hereby certify that this notice was posted on the bulletin boards at City Hall, 7105 Whitley Road, Watauga, Texas, on January 11, 2019, before 6:00 p.m., in accordance with Chapter 551 of the Texas Government Code.


Zolaina R. Parker, City Secretary, TRMC





PURCHASING 101

TEXAS PROCUREMENT LAWS

Jennifer Walls, Purchasing Agent
Deby Woodard, Assistant Finance



Responsibilities

Compliance with City Policies, State and Federal laws

Promote open and fair conduct in all aspects of the procurement process

Provide guidance and instruction in the purchasing process

A close-up photograph of a hand holding a piece of white chalk, writing the words 'We are here to help' on a dark grey chalkboard. The text is written in a casual, slightly slanted script.

We are here
to help



What Purchasing Does

**Ensure
compliance with
state and federal
laws**

**Issue purchase
orders**

**Assist end users
with procurement
needs**

**Solicitations –
such as Bids,
Proposals and
Quotes**





Purchasing Thresholds

Per Texas Local Government Code Chapter 252

- ☞ **0-\$1,500** **No quote required**
- ☞ **\$1,500 - \$3,000** **No quote required but recommended**
- ☞ **\$3,000 - \$49,999** **Written quotes required and check
Historically Underutilized
Businesses**
- ☞ **\$50,000 and over** **Sealed bids or proposals with City
Council approval**





Annual expenditures exceeding \$50,000

Per City Charter Section 9.08 all contracts, purchases, and expenditures exceeding the maximum amount permitted by state law must be approved by City Council

These vendors are anticipated to exceed \$50,000 with recurring purchases and services. They were presented to Council in October 2018:

VENDOR	ESTIMATED EXPENSES FISCAL YEAR 2018-19	UTILIZATION PROCESS
REYNOLDS ASPHALT	\$165,000	TARRANT COUNTY COOPERATIVE PURCHASING
DATAPROSE	\$75,000	CITY OF FORT WORTH INTERLOCAL AGREEMENT
MARTIN EAGLE OIL COMPANY	\$160,000	NATIONAL IPA/CITY OF FORT WORTH INTERLOCAL AGREEMENT

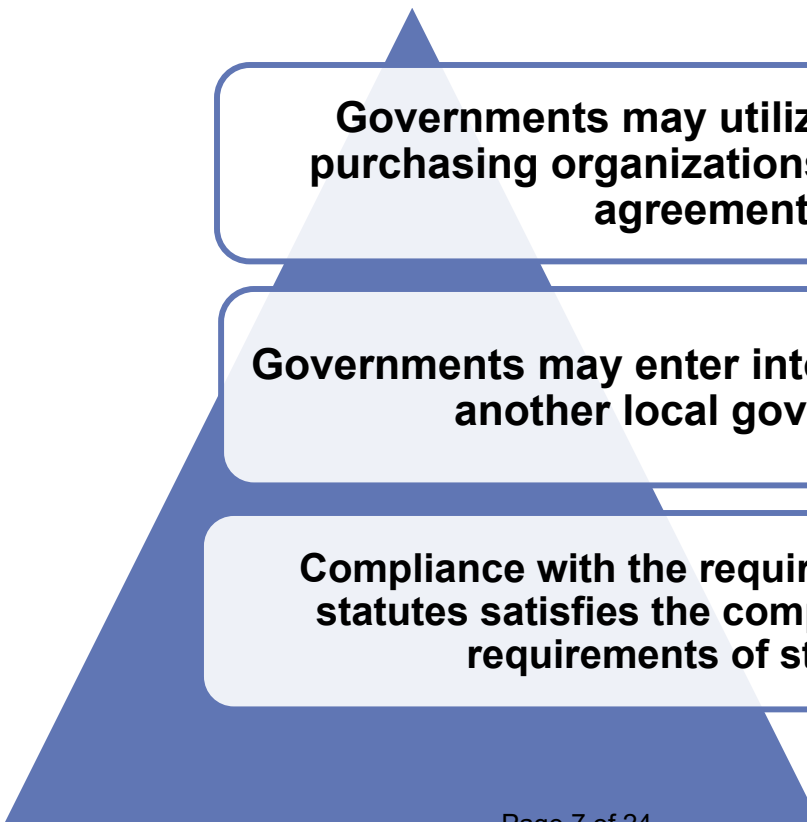


Cooperatives

Authority granted by:

Local Government Code Section 271.102 (Cooperative Purchasing Program)

Texas Government Code Chapter 791 (The Interlocal Cooperative Act)

A blue pyramid is positioned behind three white rectangular boxes with blue borders. The boxes are stacked vertically, with the top box at the narrowest part of the pyramid and the bottom box at the widest base. Each box contains a line of text.

Governments may utilize cooperative purchasing organizations and interlocal agreements

Governments may enter into agreements with another local government

Compliance with the requirements of these statutes satisfies the competitive bidding requirements of state law



Current Cooperatives and Interlocal Agreements

COOPERATIVE PURCHASING ORGANIZATIONS

AGENCY	EFFECTIVE
BUYBOARD COOPERATIVE	AUGUST, 2005
DEPARTMENT OF INFORMATION RESOURCES	2007
HCDE CHOICE PARTNERS	MAY, 2013
GOODBUY PURCHASING COOPERATIVE	JANUARY, 2016
HOUSTON-GALVESTON AREA COUNCIL (H-GAC)	OCTOBER, 1990
NATIONAL IPA	DECEMBER, 2004
NORTH TEXAS SHARE (NCTCOG)	JUNE, 2017
PACE PURCHASING COOPERATIVE	APRIL, 2017
SOURCEWELL (FORMERLY NJPA)	FEBRUARY, 2014
TARRANT COUNTY COOPERATIVE PURCHASING PROGRAM	JANUARY, 1997
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS	2007
TIPS PURCHASING COOPERATIVE	JULY, 2011
US COMMUNITIES	MARCH, 2004

INTERLOCAL AGREEMENTS

AGENCY	EFFECTIVE
CITY OF ARLINGTON	MAY, 2005
CITY OF COLLEYVILLE	APRIL, 2006
CITY OF DALLAS	AUGUST, 2008
CITY OF DENTON	JUNE, 2016
CITY OF EULESS	APRIL, 2006
CITY OF FORT WORTH	FEBRUARY, 2005
CITY OF FRISCO	AUGUST, 2018
CITY OF GRAPEVINE	APRIL, 2006
CITY OF HALTOM CITY	DECEMBER, 2005
CITY OF HURST	DECEMBER, 2005
CITY OF KELLER	DECEMBER, 2005
CITY OF KENNEDALE	APRIL, 2006
CITY OF LEANDER	APRIL, 2009
CITY OF NORTH RICHLAND HILLS	APRIL, 2005
CITY OF SOUTHLAKE	OCTOBER, 2017
COUNTY OF BRAZORIA	AUGUST, 2016





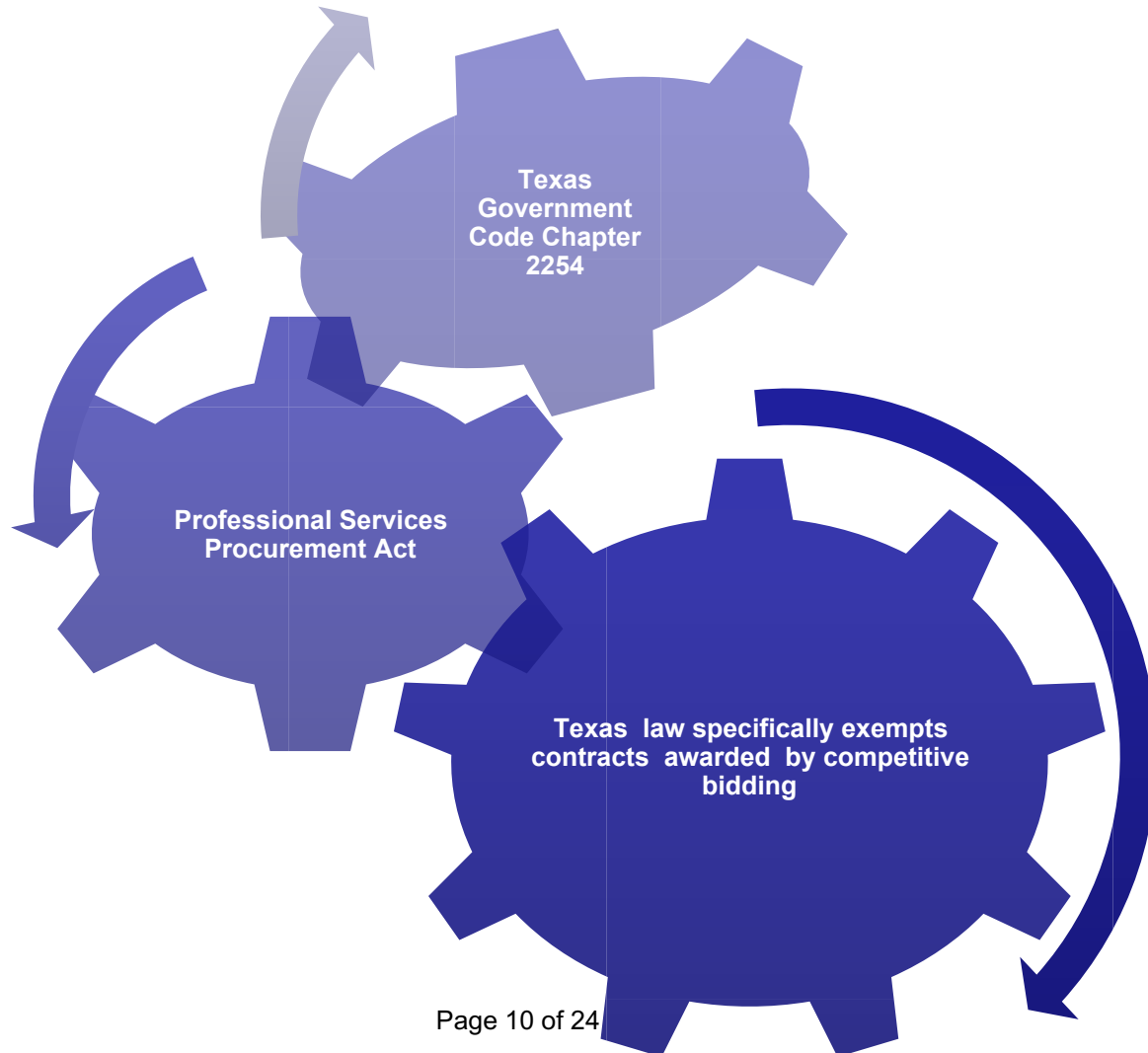
Local Government Code Chapter 171

- ⌘ **Regulates local public officials' conflicts of interests.**
- ⌘ **Prohibits a local public official from voting or participating in a matter involving a business entity or real property in which the official has a substantial interest if an action on the matter will result in a special economic effect on the business.**
- ⌘ **A public official who has such interest is required to file, before a vote or decision in any matter involving the business entity or real property, an affidavit stating the nature and e**

**CONFLICT
OF
INTEREST**



Professional Services





Professional Services

Texas Government Code Chapter 2254

- ⌘ Government entities may not select a provider or award a contract for the services on the basis of competitive bidding procedures to obtain services from professionals such as architects and engineers.
- ⌘ Entities must make the selection and award on the basis of:
 - Demonstrated competence and qualifications to perform the services
 - For a fair and reasonable price



Professional Services

Texas Government Code Chapter 2254

- ⌘ **Select the most highly qualified provider based on demonstrated competence and qualifications.**
- ⌘ **Attempt to negotiate with that provider a contract at a fair and reasonable price.**
- ⌘ **If a satisfactory contract cannot be negotiated entity shall end negotiations with that provider and select the next most highly qualified provider and begin negotiations.**
- ⌘ **Continue the process to select and negotiate with providers until a contract is entered into.**



City of Watauga Major Contracts

- ☞ **Solid Waste**
- ☞ **Water and Wastewater**
- ☞ **Engineering**
- ☞ **City Attorney**





Solid Waste Contract

Current Contract Information

☞ **Original Term: July 1, 2012 through June 30, 2017
(approved by Council June, 2012)**

- Includes one five-year automatic renewal term extending through June 30, 2022 unless written notification was provided before February 2017
- Current contract indicates Exclusive Franchise Agreement
- City Charter prohibits exclusive agreements per Section 12.05

☞ **April, 2017: current contract amended to include:**

- Work orders process
- Trash cart listing completion requirements
- Bulky waste pickup deadline with financial penalties when defaulted



Solid Waste Contract

Current Contract Highlights

- ☞ Provides up to 19 containers to collect municipal solid waste at certain City locations at no cost to the City.
- ☞ Provides at no cost to the City, an aggregate number of four (4) thirty-yard roll-offs per year (2 in the fall and 2 in the spring) for special events.
- ☞ Collect bulky items, bundles, and loose brush once a month.
- ☞ 95-gallon capacity waste containers and 65-gallon capacity recycle containers.
- ☞ Allows annual review and/or request to increase or decrease the rates in accordance with the Consumer Price Index rate for all urban consumers



Solid Waste Contract



Current Rates



Residential Curbside Collection	\$9.97/month	Includes 1 garbage & 1 recycle cart Per week
Additional Cart	\$2.29/month	Per each additional cart
Additional Recycle Container	\$1.95/month	Per each additional container
Senior Citizen Rate	\$8.50/month	Includes trash & recycle service



Water Contract

Current Contract Information

- ☞ Water connection is with the City of Fort Worth.
- ☞ A joint use facility shared by North Richland Hills and Watauga as the point of entry .
- ☞ The process was outlined in detail in May, 1998.
- ☞ North Richland Hills charges the City of Watauga the same amount the City of Fort Worth charges them.





Wastewater Contract

Current Contract Information

- ∞ **Wastewater services provided by the City of Fort Worth for the collection and treatment of wastewater.**
- ∞ **Current agreement approved by City Council in April, 2017 and expires September 30, 2037. It may be renewed on terms mutually agreeable.**
- ∞ **Wholesale wastewater rates are based upon an annual cost-of-service rate study, with a rate study conducted every three years by an independent utility rate consultant by the City of Fort Worth.**
- ∞ **Current rates for Fiscal Year 2018-19:**
 - **Volume: \$1.3710**
 - **BOD: \$0.41622**
 - **TSS: \$0.27374**



City Engineer

∞ Per Texas Government Code Chapter 2254 Professional and Consulting Services:

- A government entity may not select a provider of professional services or award a contract for the services on the basis of competitive bids submitted for the contract or for the services.
- Professional services is defined by state law to include professional engineering.
- Government entity shall make the selection and award:
 - On the basis of demonstrated competence and qualifications to perform the services; and
 - For a fair and reasonable price – the professional fees under the contract may not exceed any maximum provided by law
- Must select the most highly qualified provider and then attempt to negotiate a fair and reasonable price – usually done through an Request for Qualifications (RFQ) process,



City Engineer

Current

- ☞ **Contract from 2007 with Burgess Niple is termed out.**
- ☞ **New agreement will be put forth to City Council in the near future.**
- ☞ **Currently procuring engineering services per each individual project based on Texas Government Code Chapter 2254.**





City Attorney

∞ Per Texas Local Government Code Chapter 252 Purchasing and Contracting Authority of Municipalities

- 252.022 General Exemptions – Chapter 252 does not apply to an expenditure for items listed under this section (General Exemptions)
 - 252.022(4) – states “a procurement for personal, professional, or planning services”

Some cities have used this exemption to justify not taking bids for attorney services.

State law does not specify any particular procedures for obtaining the services of an attorney. A city may choose to obtain the services with or without the use of competitive bidding.



City Attorney

Professional Services

- ∞ Have been described as those services which are mainly mental or intellectual rather than physical or manual.
- ∞ Are those disciplines requiring special knowledge or attainment and a high order of learning, skill, and intelligence.

Note: There has been no ruling by the Texas courts or Attorney General's Office as to the practice of utilizing this exemption for City Attorney services either way. The City may choose to obtain the services of an attorney with or without the use of competitive bidding.

Many cities simply hire legal counsel by majority vote and execute a contract for such services.





City Attorney

Current Contract Information

- ☞ **Mark G. Daniel has been the appointed City Attorney since 1984 and renewable upon passage of the annual budget per City Charter Section 8.04.**
- ☞ **City Council approval on July 23, 2018 of billing rate increase effective October 1, 2018.**
 - **Retainer fee from \$2,380 to \$2,430 per month – compensated for the initial fifteen hours of legal services rendered**
 - **Fee increase from \$201.00 per hour to \$205.00 per hours - compensation exceeding the initial fifteen hours of legal services rendered per month**
 - **Agrees to bill associate attorney time at \$116.50 per hour of legal services rendered - a 2% increase**
 - **Will not seek to bill for legal assistant's time rendered**
 - **City will continue to be responsible for all reasonable expenses (postage, copying, facsimile, travel, association dues, long distance telephone, etc.) – excluding travel expense to and from the City for City Council meeting and other related conferences and workshops**



Questions

