



Developing a City of El Paso Purchasing Cooperative

**Legislative Review Committee
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Presented by
Purchasing & Strategic Sourcing
Department



Objective

Review and the considerations in developing a City of El Paso Purchasing Cooperative by reviewing the following:

1. Applicable Local Government Codes
2. Cooperative Models
3. Efforts to date



Key definitions

Cooperative Purchasing

- When two or more governmental entities entering into an agreement to competitively purchase goods and services on the behalf of the government;
- When a governmental entity allow another entity to source/purchase goods and services off its competitively procured contract “piggybacking”.



Applicable of Local Government Codes

Texas Government Code 791.025 enables the following models:

Joint Purchase Model – When two or more governmental entities develop specifications needed for both entities and solicit bids or proposals. One entity is the lead entity in facilitating the bidding and award process.

Piggy Back Model – When governmental entities include language within their solicitation affording other governmental entities the option of purchasing goods and services through the resultant contract.

- The City of El Paso participates in both models



Applicable of Local Government Codes

Texas Government Code Chapter 391.001(b) enables the following model:

Regional Purchasing Model – When two or more governmental entities create a regional planning commission or council of governments. Once created the commission or council is a formal political subdivision. Examples of this model are Region 19, Region 4 and the Houston Galveston Area Council (HGAC) cooperatives.

- The City of El Paso participates in this model



Efforts to Date

Shared Services Initiative 2008 – In 2008 every taxable entity meet at the first shared service summit to discuss areas of partnering and collaboration.

Shared Services recommendations pertaining to purchasing included but were not limited to:

- Creating agreements among entities to allow for piggy backing; and
- To create a regional Purchasing Alliance for participating members to develop joint forecasting reports and joint procurement opportunities



Efforts to Date

Reconstitution of Shared Services Initiatives – In 2010 several of the original participating members reconvened to move the collaborative purchasing initiatives forward.

Outcomes of that effort are as follows:

- Created standardized piggy backing language;
- Created the El Paso Purchasing Alliance website. *Demo website* www.elpasopurchasingalliance.com ;
- Held “How to do Business with the Alliance” informational workshops;
- Executed several Inter-local agreements for joint purchasing and/or piggy backing



Key Considerations

- To establish the El Paso Purchasing Alliance (EPPA) as a legal entity one or more governmental entities are required to formally participate in the formation and operation of the EPPA;
- What governmental entities does the City desire to engage in forming the EPPA?
- What governmental entities are amendable to the City being the lead agency?
- All purchases by the EPPA must be competitively procured pursuant to the Texas Local Government Code;
- Are resources available to initiate and fund the EPPA until such time as the EPPA is self-sustaining?



QUESTIONS