



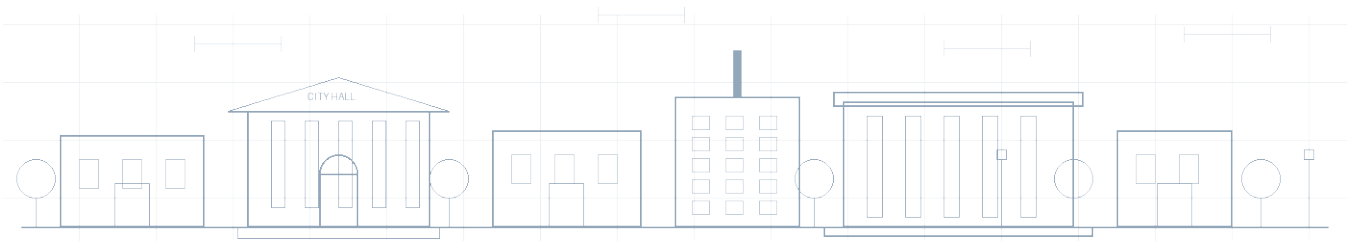
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# Texas Municipal Procurement Field Guide for Texas Cities

*A practical Santos Law resource for mayors, councilmembers, city administrators, city secretaries, finance staff, public works directors, department heads, police and fire departments, and municipal staff*



This field guide provides a practical overview of Texas municipal procurement rules for local officials and staff. It is designed to help cities navigate purchasing methods, competitive bidding, professional services, public works, cooperative purchasing, emergency procurement, contract review, and procurement file practices with clarity and confidence.



For general informational purposes only. This guide does not replace legal advice for a specific city matter.

# At-a-Glance Procurement Principles

Principle	Working Rule for City Staff
Plan before purchasing	Define the need, funding source, total expected spend, timing, and approval path before contacting vendors.
Do not split purchases	Related purchases should be reviewed together. Avoid dividing purchases to stay under a threshold.
Choose the right method	Goods, services, construction, professional services, emergency purchases, sole source items, and cooperative purchases are not all handled the same way.
Document the file	Keep the solicitation, vendor communications, scoring, conflict forms, agenda materials, award record, contract, insurance, bonds, and payment records.
Review conflicts early	Relationships, gifts, campaign support, pressure from officials, or preferred-vendor dynamics should be flagged before the process moves forward.
Get legal involved before approval	Contract terms, procurement method, certifications, agenda language, and council authority should be reviewed before the item goes to council.

**BEFORE YOU ACT:** When in doubt, pause the purchase and identify the procurement method, authority, funding source, conflict status, contract terms, and council approval path.

## Municipal Procurement Quick Checklist

<input type="checkbox"/> What exactly is the city buying?	<input type="checkbox"/> Does local policy require quotes or additional approval below the statutory threshold?
<input type="checkbox"/> Is the purchase goods, services, construction, professional services, technology, real property, or mixed?	<input type="checkbox"/> Is council approval required by law, policy, budget, or contract terms?
<input type="checkbox"/> What is the total expected cost for the full project or related series of purchases?	<input type="checkbox"/> Is a written contract needed before work starts?
<input type="checkbox"/> Has staff checked whether purchases are being aggregated or improperly split?	<input type="checkbox"/> Are conflict disclosures, Form 1295, or vendor certifications required?
<input type="checkbox"/> Is the purchase above the competitive procurement threshold?	<input type="checkbox"/> Has the procurement file been opened and organized?
<input type="checkbox"/> Is the best method bid, sealed proposal, RFP, RFQ, cooperative, interlocal, sole source, or emergency?	<input type="checkbox"/> Has legal reviewed the method, agenda language, and contract before approval?

## Legal Anchors to Verify Before Use

This guide is practical, not exhaustive. Texas municipal procurement law can change and may also be affected by local policies, funding-source requirements, grant conditions, home-rule charter provisions, and project-specific facts.

Topic	Core Legal Anchor / Practice Note
Municipal purchasing	Local Government Code Chapter 252. Current statutory language generally uses the more-than-\$100,000 municipal expenditure threshold for formal competitive procurement; verify annually.
Historically underutilized businesses	For certain purchases more than \$3,000 but less than the Chapter 252 threshold, cities should check the HUB contact rule and local policy.
Professional services	Government Code Chapter 2254. Selection is qualification-based for covered professional services; price negotiation follows selection.
Construction delivery	Government Code Chapter 2269. Construction/public works projects require early review of delivery method, notices, bonds, insurance, and contract structure.
Cooperative/interlocal purchasing	Local Government Code Chapter 271 and interlocal authority. Confirm the cooperative contract actually covers the item, scope, and vendor terms.
Conflicts	Local Government Code Chapter 176 and Texas Ethics Commission forms. Chapter 176 forms are generally filed locally, not with the TEC.
Form 1295	Government Code Section 2252.908 and Texas Ethics Commission Form 1295 rules may apply before contract execution.
Vendor certifications	Anti-boycott, foreign terrorist organization, firearm/energy, and related certification requirements can apply depending on contract value, vendor, and statutory exemptions.

**PROCUREMENT FILE TIP:** Add a one-page “legal anchors checked” memo to the file for any significant purchase. It is a simple way to show that staff considered the method, authority, conflicts, forms, and approval path.

# 1. Why Procurement Rules Matter

- **Transparency builds public trust:** Procurement is one of the most visible ways a city spends public money. The public expects fairness, competition, and documentation.
- **Informal practices create avoidable risk:** A vendor may be excellent and still need to be procured correctly. Familiarity, urgency, and convenience do not replace process.
- **Procurement problems become bigger problems:** Weak procurement files can turn into audit findings, bid protests, vendor disputes, council conflict, public information issues, and political narratives.
- **The best protection is planning:** Most problems can be avoided by defining scope, checking thresholds, choosing the right method, documenting conflicts, and reviewing contracts before approval.

**PRACTICE POINT:** Procurement is not just a legal compliance function. It is a governance system for spending public money in a way that can be explained later.

## 2. Basic Thresholds and Concepts

- **Dollar thresholds matter:** Thresholds help determine whether formal competitive procurement is required. Staff should calculate the full expected expenditure, not just the first invoice.
- **Aggregation matters:** Related items, phased work, recurring purchases, or a project broken into parts may need to be considered together.
- **Local policy may be stricter:** Even when state law does not require formal procurement, city policy may require quotes, department-head approval, finance review, or council approval.
- **Best value is not “favorite vendor”:** Best value should be tied to stated criteria, documented evaluation, price, qualifications, experience, responsiveness, schedule, warranty, service, and risk.

**COMMON MISTAKE:** Treating a purchase under the statutory threshold as if no process is required. Safer approach: follow local purchasing policy and document quotes, approval, and business reason.

## 3. Choosing the Right Procurement Method

- **Competitive bidding:** Useful when specifications are clear, comparison is objective, and price is the primary driver.
- **Competitive sealed proposals / RFP:** Useful when the city needs flexibility to evaluate price and non-price factors.
- **RFQ:** Common for covered professional services and certain construction-related services where qualifications come first.
- **Cooperative purchasing:** Can save time when the cooperative contract fits the purchase, but it does not eliminate the need to review scope, pricing, contract terms, and file documentation.
- **Sole source:** Narrow tool for truly unique items or services. Preference, convenience, compatibility, or short timeline usually is not enough.
- **Emergency purchase:** Reserved for real emergencies. Urgency caused by delay or poor planning is usually not a legal emergency.

**BEFORE YOU ACT:** Ask: What are we buying? How much will it cost? Is it part of a bigger project? Is there a special

statute? Is council approval needed? Has legal reviewed the method?

## Procurement Method Decision Tree

Question	Likely Next Step
Is this a covered professional service such as engineering, architecture, surveying, accounting, auditing, financial advising, legal services, or similar?	Use an RFQ or qualification-based selection process; do not select based on low bid for covered professional services.
Is this construction, a public work, building repair, facility improvement, utility work, or infrastructure project?	Review Chapter 2269 delivery methods, notice, bonding, insurance, prevailing wage, funding, and council approval before solicitation.
Is this a recurring goods, equipment, technology, or supply purchase with a total spend near or above the threshold?	Aggregate related purchases and use the appropriate competitive method or documented cooperative/interlocal method.
Is a cooperative contract being used?	Confirm the city is authorized to participate, the item/scope is covered, pricing is tied to the cooperative contract, and the procurement file includes the cooperative documents.
Is staff claiming sole source?	Prepare a written sole source memo with factual basis, market review, statutory fit, and approval path; legal should review before award.
Is staff claiming emergency?	Prepare an emergency memo explaining the immediate public need, risk, time constraints, selected vendor, price reasonableness, and ratification/reporting path.

**SAFER APPROACH:** When a purchase is mixed - for example, technology plus implementation services, or equipment plus installation - identify each component and let the highest-risk component drive review.

## 4. Goods, Materials, Equipment, and Technology

- **Common examples:** vehicles, radios, police/fire equipment, software, computers, office supplies, pumps, utility materials, public works equipment, and replacement parts.
- **Quote practices:** Below formal thresholds, follow local purchasing policy for quotes and approvals. Keep the quotes, date received, vendor names, and selection reason.
- **Technology caution:** Software, cloud services, data systems, cyber terms, auto-renewals, data ownership, breach notice, AI tools, and termination rights require contract review.
- **Recurring purchases:** Repeated purchases from the same vendor or for the same project may need aggregation. Do not treat each invoice as a separate procurement decision.

**PROCUREMENT FILE TIP:** For equipment and technology, save the quote, specification sheet, cooperative contract page if applicable, warranty, service terms, data/security terms, and acceptance documentation.

## 5. Professional Services

- **Qualifications first:** For covered professional services, the city generally evaluates competence and qualifications before negotiating a fair and reasonable price.
- **Use an RFQ when appropriate:** The RFQ should define the problem, requested services, evaluation criteria, submission requirements, deadline, and anticipated contract form.
- **Grant writers and consultants:** Not every consultant is a covered professional service. Classify the service before choosing the method.
- **Small-city example:** If a city needs engineering for a drainage project, it should typically evaluate engineering qualifications first, then negotiate scope and fee with the selected firm.

**COMMON MISTAKE:** Scoring a professional services RFQ as if the lowest price wins. Safer approach: evaluate qualifications first, then negotiate price after selection.

## 6. Construction and Public Works

- **Use early legal review:** Construction procurement is high-risk because method selection, notice, bonding, insurance, scope, change orders, retainage, prevailing wage, and funding requirements can all matter.
- **Delivery methods:** Depending on the project, options may include competitive bidding, competitive sealed proposals, construction manager at-risk, design-build, or job order contracting.
- **Change orders:** Track change orders closely. A change order should not become a workaround to expand the project beyond the original procurement.
- **Council role:** Council should approve the procurement method and award when required, with clean agenda wording and a clear record.

**BEFORE YOU ACT:** Call legal before issuing a construction solicitation, selecting a delivery method, accepting a bid, approving a change order, or letting work begin without a signed contract.

## 7. Cooperative Purchasing and Interlocal Agreements

- **Why cities use it:** Cooperative purchasing can reduce time and administrative burden by using contracts that were already competitively procured by another authorized entity.
- **What to verify:** Membership authority, cooperative contract number, vendor eligibility, contract term, item/scope fit, pricing, order form, and any city-specific terms.
- **Do not overuse:** A cooperative is not a blank check. Staff still needs a procurement file and contract review.
- **Interlocal basics:** Interlocal arrangements should identify authority, parties, purpose, payment, responsibility, term, termination, and records.

**SAFER APPROACH:** Attach the cooperative contract documentation to the agenda item or procurement file so the record shows exactly what contract the city is using.

## 8. Sole Source and Emergency Purchases

- **Sole source is narrow:** A vendor preference, ease of use, local relationship, or tight timeline usually does not create a sole source.
- **Emergency is factual:** The memo should explain the immediate threat or public need, why normal procurement cannot wait, and how price reasonableness was checked.
- **Ratification/reporting:** Emergency actions should be reported or ratified as required by law and policy, with the facts preserved in the file.
- **Use memos:** A short written memo is often the difference between a defensible exception and an undocumented shortcut.

**COMMON MISTAKE:** Calling something an emergency because the city waited too long. Safer approach: state the timeline honestly and use the fastest lawful procurement path available.

## 9. Contracts, Certifications, and Required Forms

- **Written scope:** The contract should say what the vendor must do, deliverables, schedule, acceptance standards, and what is excluded.
- **Payment terms:** Avoid vague pricing, unclear reimbursables, open-ended hourly work without caps, or payment before deliverables are accepted.
- **Termination:** The city should know how it can terminate for convenience, non-performance, funding limitations, or legal/policy issues.
- **Insurance and indemnity:** Risk allocation should be reviewed before approval, especially for construction, public safety, technology, events, and professional services.
- **Certifications:** Check Form 1295, Chapter 176 forms, anti-boycott/foreign terrorist organization certifications, and any grant-funded certifications before execution.
- **Timing:** Contract review should happen before council approval, not after everyone has already agreed on the vendor.

Item	Why it matters
Conflict of interest questionnaire / CIS-CIQ review	Helps identify vendor relationships and local-government officer disclosure issues.
Form 1295	May be required before the city enters certain contracts with a business entity.
SB 252-related certification	Relates to prohibited contracts with companies engaged in certain business with Iran, Sudan, or foreign terrorist organizations; verify applicability.
HB 89-related certification	Relates to the anti-boycott Israel certification; verify current value thresholds, exemptions, and statutory language.
Energy/firearms-related certifications	May apply to certain contracts depending on vendor type, contract value, and statutory exemptions.

**COUNCIL REMINDER:** Do not ask council to approve a contract before the city has reviewed the actual contract terms. Agenda approval without contract review creates avoidable leverage problems.

## 10. Conflicts of Interest and Ethics

- **Councilmember conflicts:** Identify business relationships, family relationships, gifts, campaign support, employment ties, and other facts that could affect voting or perception.
- **Staff conflicts:** Staff should disclose vendor relationships early, even when the relationship may not legally disqualify participation.
- **Vendor relationships:** Vendors should be reminded of local conflict forms and any no-lobbying or cone-of-silence policy during solicitations.
- **Appearance matters:** Even if no legal conflict exists, undisclosed relationships can damage confidence in the process.
- **Recusal and documentation:** When recusal is necessary or prudent, document it clearly and avoid behind-the-scenes involvement.

**PRACTICE POINT:** The question is not only “Is this illegal?” The practical question is also “Can we explain this process clearly if a resident, reporter, auditor, or losing vendor asks?”

## 11. Council Approval and Agenda Practice

- **Agenda wording:** State the procurement action clearly: authorize solicitation, approve method, award contract, reject bids, authorize execution, or ratify emergency purchase.
- **Public discussion:** Discuss evaluation process, funding, staff recommendation, contract amount, and authority without drifting into unsupported vendor preference.
- **Executive session limits:** Do not assume procurement decisions can be discussed in closed session. Verify a specific TOMA exception before closing the meeting.
- **Delegated authority:** Know what the budget, purchasing policy, ordinance, and prior council action authorize staff to do without a separate vote.
- **Clean record:** Council materials should match the procurement file: method, vendors, scoring, funding source, contract amount, and requested action.

Common item	Cleaner agenda wording
Authorize solicitation	Discuss and consider authorizing staff to issue a request for proposals for [project/service] and take related procurement steps.
Award contract	Discuss and consider awarding a contract to [vendor] for [project/service] in an amount not to exceed \$[amount] and authorizing the City Administrator to execute related documents after legal review.
Reject bids	Discuss and consider rejecting all bids received for [project/service] and directing staff regarding next procurement steps.
Emergency ratification	Discuss and consider ratifying emergency procurement action taken for [need/event] and authorizing related payment and contract documentation.

## 12. Procurement File Best Practices

A clean procurement file is often the city’s best defense in an audit, dispute, complaint, or public information request.

### Procurement File Checklist

<input type="checkbox"/> Purchase intake form	<input type="checkbox"/> Staff recommendation memo
<input type="checkbox"/> Budget/funding confirmation	<input type="checkbox"/> Agenda materials and minutes
<input type="checkbox"/> Procurement method memo	<input type="checkbox"/> Award notice or rejection record
<input type="checkbox"/> Solicitation documents	<input type="checkbox"/> Executed contract
<input type="checkbox"/> Proof of posting or publication	<input type="checkbox"/> Insurance certificates
<input type="checkbox"/> Vendor questions and addenda	<input type="checkbox"/> Bonds, if required
<input type="checkbox"/> Bids, proposals, or qualifications received	<input type="checkbox"/> Change orders
<input type="checkbox"/> Tabulation or scoring sheets	<input type="checkbox"/> Invoices and payment records
<input type="checkbox"/> Conflict forms and disclosures	<input type="checkbox"/> Legal review notes or approval memo

**PROCUREMENT FILE TIP:** Use a shared procurement folder with the same naming convention for every significant purchase: 01 Intake, 02 Solicitation, 03 Vendor Responses, 04 Evaluation, 05 Agenda-Award, 06 Contract, 07 Performance-Payments.

## 13. Common Municipal Procurement Mistakes

Mistake	Safer approach
Splitting purchases to avoid a threshold	Review related purchases together and document the full expected spend.
Selecting a preferred vendor before the process starts	Define criteria first and keep vendor communications consistent.
Using vague scopes of work	Write measurable deliverables, schedule, acceptance standards, and exclusions.
Treating professional services as low-bid work	Use qualifications-first selection where required.
Overusing sole source	Prepare a factual memo and legal review before relying on the exception.
Missing Form 1295 or conflict forms	Check forms before execution and keep them in the file.
Starting work before the contract is signed	No work should begin until approval, contract execution, insurance, bonds, and purchase order steps are complete.
Letting change orders reshape the project	Track cumulative changes and legal authority before approval.

## 14. Red Flag Scenarios: Call Legal Before Acting

### Call Legal Before Acting When:

<input type="checkbox"/> Purchase may exceed the statutory threshold	<input type="checkbox"/> Purchase involves professional services
<input type="checkbox"/> Vendor is related to a mayor, councilmember, or employee	<input type="checkbox"/> Contract includes indemnity or unusual insurance terms
<input type="checkbox"/> Councilmember is pushing a specific vendor	<input type="checkbox"/> Grant funds are being used
<input type="checkbox"/> Staff wants to skip bidding because timing is tight	<input type="checkbox"/> Bid protest or vendor complaint is possible
<input type="checkbox"/> Vendor already started work without approval	<input type="checkbox"/> Change order materially changes price or scope
<input type="checkbox"/> City wants to use sole source procurement	<input type="checkbox"/> Vendor refuses city contract terms
<input type="checkbox"/> City wants to declare an emergency purchase	<input type="checkbox"/> Staff is unsure whether council approval is required
<input type="checkbox"/> Project involves construction or public works	<input type="checkbox"/> The procurement will likely draw public attention

**BEFORE YOU ACT:** A short pause for legal review before action is usually cheaper than trying to fix an invalid, poorly documented, or politically difficult procurement after the fact.

## 15. Practical Tools and Templates

### Department Purchase Intake Form

- Requesting department
- Business need
- Description of goods/services/work
- Estimated total cost
- Funding source
- Timeline needed
- Known vendors/contact history
- Related prior or planned purchases
- Recommended procurement method
- Conflict concerns
- Contract needed?
- Council approval needed?

### RFQ Planning Checklist

- Define professional service needed
- Confirm Chapter 2254/other authority
- Draft qualification criteria
- Set submission requirements
- Identify review committee
- Create scoring sheet
- Plan interview process if needed
- Prepare negotiation path after selection

### RFP Planning Checklist

- Define scope and deliverables
- Set evaluation criteria and weight

- Identify mandatory contract terms
- Set question/addenda process
- Define submission format
- Plan evaluation team
- Document scoring and recommendation

### **Bid Opening Checklist**

- Confirm deadline
- Record bidders
- Time-stamp submissions
- Open publicly if required
- Create bid tabulation
- Identify responsiveness issues
- Send to legal/finance for review
- Prepare award recommendation

### **Contract Review Checklist**

- Scope
- Price/payment terms
- Term/renewal
- Termination
- Insurance
- Indemnity
- Warranties
- Data/security
- Records/public information
- Venue/governing law
- Certifications/forms
- Council authority

### **Annual Procurement Policy Review**

- Thresholds
- Quote rules
- Delegated authority
- Emergency procedures
- Sole source process
- Technology review
- Conflict forms
- Form 1295 workflow
- Cooperative purchase workflow
- File retention
- Training schedule

## 16. Sample Memo Outlines

### Sole Source Justification Memo Outline

- **Requested purchase:** Describe the item or service and total expected spend.
- **Legal basis:** Identify the claimed sole source category and why it fits.
- **Market review:** Explain what alternatives were checked and why they do not meet the city's need.
- **Vendor justification:** Explain why only this vendor can provide the required item/service.
- **Price reasonableness:** Describe how pricing was evaluated.
- **Approvals:** Identify staff, finance, legal, and council approvals needed.
- **File attachments:** Attach vendor materials, research, correspondence, and contract.

### Emergency Procurement Memo Outline

- **Emergency facts:** What happened, when, and what public need or risk exists?
- **Why normal process cannot wait:** Explain the practical and legal need for immediate action.
- **Selected vendor:** Why this vendor was selected and what alternatives were considered.
- **Scope and cost:** Define what is authorized now and any limits.
- **Ratification/reporting:** State when council will be informed or asked to ratify.
- **Next steps:** Plan for follow-up procurement if the emergency work becomes a larger project.

**SAFER APPROACH:** Emergency and sole source files should be written as if they will later be read by an auditor, a reporter, a losing vendor, and a skeptical resident.

## Conclusion

Most municipal procurement problems can be avoided through early planning, clear scopes of work, proper method selection, transparent documentation, conflict review, and legal review before approval. Procurement is not only a compliance issue. It is a public-trust, fiscal-responsibility, and good-governance issue.

For small and mid-size Texas cities, the safest procurement culture is simple: slow down at the front end, document the reason for the method, keep the file clean, and make sure the city can explain the process later.

**SANTOS LAW PRACTICE NOTE:** The goal is not to make procurement harder. The goal is to make procurement defensible, repeatable, transparent, and aligned with good city governance.

## Disclaimer

*This guide is provided for general informational purposes only and does not constitute legal advice. Municipal procurement requirements can vary based on the type of purchase, funding source, city policies, contract structure, and specific facts. Cities should consult their city attorney before taking action on a specific procurement matter.*

## Source Notes

- Texas Local Government Code Chapter 252 - municipal purchasing and contracting authority.
- Texas Government Code Chapter 2254 - Professional Services Procurement Act and consulting services provisions.
- Texas Government Code Chapter 2269 - construction contracting and delivery procedures.
- Texas Local Government Code Chapter 271 - purchasing and contracting authority, including cooperative purchasing/interlocal purchasing provisions.
- Texas Local Government Code Chapter 176 and Texas Ethics Commission Forms CIS/CIQ - local conflict disclosure framework.
- Texas Government Code Section 2252.908 and Texas Ethics Commission Form 1295 resources - Certificate of Interested Parties.
- Texas Government Code Chapter 2271 and related contracting-certification provisions - verify applicability, thresholds, exemptions, and current statutory language before use.