

Texas Interlocal Cooperation Contracts

Basics on Agreements between
governmental agencies



What is an Interlocal Agreement?

- A contract or agreement with another state or local governmental agency or a federally recognized Indian tribe
- Authority comes from chapter 791 of the Texas Government Code



What Can Governmental Agencies Agree To?

Parties to an interlocal agreement can do two things:

- 1) study the feasibility of the performance of a governmental function; or
- 2) provide a governmental function or service that each party to the contract is authorized to perform individually.



Basic Interlocal Agreement Requirements

An interlocal agreement must:

- Be authorized by the governing body of each party to the agreement (exception for municipally owned utilities);
- State the purpose, terms, rights, and duties of the contracting parties;
- Specify that any payments are being made from revenues currently available;
- Fairly compensate the performing party.



TWO KEYS TO AN INTERLOCAL

Government Functions:

- Public safety
- Public works
- Parks, library, museum
- Planning and engineering
- Waste disposal
- Administrative functions
- Health care or hospital services
- Anything else the parties have the authority to do ...

Local Government:

- County, municipality, special district, junior college district, or other political subdivision of this state or another state
- Transportation corporation created by a local gov't (Trans. Code Ch. 431)
- Electricity purchasing corporation created by local gov'ts (Loc. Gov't Code Ch. 304)
- Any combination of the entities listed above



ONE MORE KEY

“Each Party Authorized to Perform Individually”

- An agreement may not extend the entity’s police power beyond its statutory jurisdiction.
 - Municipality
 - Home rule - Austin
 - Must have City purpose to spend City funds, must have controls in place to ensure that the funds are spent properly, must get something roughly equivalent to what we are spending.



Example Agreements

AMENDED AND RESTATED CONVERSATION CORPS INTERLOCAL AGREEMENT

STATE OF TEXAS

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COUNTY OF TRAVIS

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This Interlocal Agreement ("Agreement"), with an effective date of April 1, 2015, and amended effective that date when this amended and restated agreement is signed by all Parties is between the City of Austin, Texas ("City"), the Austin Independent School District ("District"), Capital Metropolitan Transportation Authority, ("Capital Metro"), and Travis County, Texas, ("County") collectively, the "Parties".

RECITALS

The people of Austin have historically sought opportunities to shape the development of public policy and the decisions made by public agencies like the City of Austin, Austin Independent School District, Capital Metro, and Travis County.



Example Agreements

COOPERATIVE PURCHASING AGREEMENT

This Cooperative Purchasing Agreement (“Agreement”) is made and entered into as of the last date written below between the City of Austin (“Austin”), and the City of Fort Worth, Texas (“Fort Worth”).

Both Austin and Fort Worth have each determined a need for a cooperative agreement to purchase like goods and services to avoid duplicate procurement efforts and obtain the benefits of volume purchasing.

Austin and Fort Worth are authorized by Section 271.102 of the Texas Local Government Code to pursue mutually beneficial and cooperative purchasing programs.

The Parties therefore agree as follows:

1. **Purpose.** The purpose of this Agreement is to provide Austin and Fort Worth with additional purchasing options by satisfying the provisions of Section 271.102 of the Texas Local Government Code.



Example Agreements

AGREEMENT FOR MUTUAL AID IN FIRE PROTECTION

This Interlocal Agreement between the City of Austin, a home-rule city and municipal corporation (hereinafter, the "Austin") and Travis County Emergency Services District Number 6, a political subdivision of the State of Texas created in accordance with the Texas Health and Safety Code, Chapter 775 (hereinafter, the "District"), is for the purpose of securing to each the benefits of mutual aid in fire prevention, in the protection of life and property from fire, and in fire fighting.



QUESTIONS?

