

## **25.99.02.R0.01 Purchasing Procedure**

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### **Procedure Statement**

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This procedure establishes the intention and scope for Texas A&M University-Commerce to procure goods and/or services according to sound business practices and best value.

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### **Reason for Procedure**

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The Texas Education Code 51.9335 provides a general description of the requirements for the acquisition of goods and services by institutions of higher education and this procedure provides guidelines to minimize risks associated with the procurement of goods and services and allow the university to carry out its fiduciary responsibilities.

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### **Procedures and Responsibilities**

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#### **1. GENERAL**

- 1.1 All purchases must comply with university's purchasing procedures. Each purchase must be fully documented, with all documents retained in accordance with the university's records retention schedule. There are two types of purchasing authority: (1) purchases processed directly through and by the Department of Purchasing; and (2) purchases delegated to all departments with a stated dollar limit of \$3,000. Purchases requiring a written contract, other than the university standard purchase order, must be in compliance with the provisions of System Policy 25.07 *Contract Administration*, and System Regulation 25.07.01 *Contract Administration Procedures and Delegation*.
- 1.2 Unless specifically exempted (see section 5), the following procurement methods must be utilized: competitive bidding; competitive sealed proposals; catalogue purchase procedures; group purchasing; and alternate methods relevant to specific application of goods or services purchased.

1.3 All purchases shall be based on a “best value” and shall encompass the following: purchase price; reputation of the vendor and of the vendor’s goods or services; quality of the vendor’s goods or services; extent to which the goods or services meet the university’s needs; the vendor’s past performance with the university; impact on the ability of the university to comply with laws and rules relating to Historically Underutilized Businesses (HUBs) and to the procurement of goods and services from persons with disabilities; total cost of ownership to the university of acquiring vendor’s goods and services; use of material in construction or repair to real property that is not proprietary to a single vendor unless the university provides a written justification in the request for bids of the unique material specified; and any other relevant factor that a private business entity would consider in selecting a vendor.

1.4 Proprietary purchase requisitions, those that can only be purchased from a single source, must be properly justified, in writing, before the Department of Purchasing may process the requisition. All proprietary purchase requisitions are reviewed for appropriate justification by the assigned buyer and then reviewed by the Director of Purchasing. At any point in the proprietary purchase review process, the reviewer may forward the request to the next level supervisor for their review and approval regardless of the dollar value.

## 2. PURCHASE OF GOODS OR COMMODITIES

2.1 The Department of Purchasing has delegated authority to departments to make purchases of goods and commodities without competitive bid for \$3,000 or less (including freight and/or postage); however departments are encouraged to obtain multiple bids whenever possible.

2.1.1 All employees making purchases under delegated purchasing authority shall adhere to the System Policy *07.01 Ethics*.

2.1.2 Purchases within these dollar limits require proper documentation on the limited purchases screens in the purchasing module or as provided in the university guidelines for procurement card purchases.

2.1.3 Purchases may not be separated into smaller dollar purchases in order to remain within the authorized dollar limit of authority.

2.1.4 In the event a purchase or series of purchases (that appropriately should have been combined into a single purchase) are made exceeding the \$3,000 delegated authority, the department shall submit a non-compliant purchase requisition letter. The letter shall be from the department head and should explain the circumstances surrounding the non-compliant purchase and actions to be taken to avoid a reoccurrence. This letter shall be addressed to the director of purchasing. The director has the authority to approve non-compliant payments to vendors that do not exceed \$100,000. All non-compliant payment requests greater than \$100,000 must be reviewed and approved by the vice president for business and administration or designee.

Any employee responsible for multiple non-compliant purchases will be required to take the online Purchasing Basics training. Additional disciplining action may be taken.

2.1.5 Departments shall provide equal opportunity and access to all vendors for the purchase of goods and commodities. The Department of Purchasing will assist in identifying Historically Underutilized Businesses for such purchases. Assistance in identifying HUBs may be found at <http://www.tamu-commerce.edu/purchasing/index.html> for an on-line listing of HUBs.

2.1.6 Departments shall purchase goods, whenever possible, from persons with disabilities: Texas Industries for the Blind and Handicapped (TIBH). The Department of Purchasing will assist in identifying TIBH contracts. TIBH contracts may be viewed at the following website: <http://www.tibh.org/shop.html>

2.1.7 The State of Texas has awarded contracts that are available for use by all state agencies and institutions of higher education. Departments are highly encouraged to review and utilize the state contracts whenever possible. The Department of Purchasing administers many university and system-wide blanket-pricing contracts. For detailed information of the available university contracts, contact a buyer in Purchasing, or for a list of Texas A&M University contracts, visit the following website: <http://purchasing.tamu.edu/ssps/supmall/index.asp>

2.2 All purchases in excess of the authorized departmental purchase limit, excluding section 5.5 Exempt Purchases, shall be submitted as a requisition to the Department of Purchasing. Upon receipt of the purchase requisition, Purchasing will determine the appropriate method of procurement and process accordingly.

### 3. PURCHASE OF SERVICES

3.1 Purchase of services is defined as the furnishing of skilled or unskilled labor or professional work, but does not include: (1) professional services as defined by Subchapter A, Chapter 2254, Texas Government Code; (2) service of a state agency employee; (3) consulting service as defined by Subchapter B, Chapter 2254, Texas Government Code; or (4) service of a public utility.

3.1.1 Requisitions must be submitted for the purchase of services and the award issued before the service begins.

3.1.2 If the service can only be provided by a sole source provider, the requisition must indicate that the desired purchase is a sole source purchase and complete the online justification provided in the FAMIS purchasing module.

3.2 If a service will be required and rendered throughout the fiscal year, with an estimated cumulative value that exceeds \$5,000, a requisition must be forwarded to the Department of Purchasing.

3.3 The Department of Purchasing may delegate authority, to certain departments, for the purchase of services. This may be for one-time purchases or continual service purchases within the departmental purchasing threshold of \$3,000.

#### 4. EMERGENCY PURCHASES

4.1 An emergency purchase is defined as a purchase of goods or services that if not secured immediately, the university will suffer financial or operational damage. In the case of an emergency, departments must notify the Department of Purchasing immediately. If the emergency happens after normal business hours, the department shall notify Purchasing on the next business work day.

4.1.1 A written emergency justification is required.

4.1.2 Three informal bids must be obtained except when securing bids would significantly impede the process of completing the purchase.

#### 5. PURCHASE OF SPECIFIC GOODS OR SERVICES

##### 5.1 Computer Software

All software with a cost in excess of \$5,000 is classified as capital equipment and must be inventoried. All purchase requisitions for software shall be sent to the Department of Purchasing for processing. Software purchases are not allowed on the procurement card or Limited Purchase Order, without prior approval from the Department of Purchasing.

##### 5.2 Rental of Machines and Equipment

Rental of machines and equipment that do not include an operator are considered goods. Rentals that include an operator provided by the supplier are considered services. All rentals must be processed through the Department of Purchasing prior to the date of required use.

##### 5.3 Printing Services

###### 5.3.1 University Procedures for Procuring Printing and Copying

at Texas A&M University-Commerce all printing, regardless of dollar value, must be secured by the Print Media Manager in accordance with State Purchasing Guidelines and best practices via the competitive-bid process. Procurement from an outside source will include the client and Print Media Manager working together to provide the following:

- A detailed Statement of Work (SOW) to cover all aspects of the job delivered to the Print Media Manager. (Client)
- Receiving an estimate of the purchase price based on client specifications. (Print Media Manager)
- Setting an acceptable delivery date. (Client and Print Media Manager)

- Award of project to outside vendor. (Print Media Manager)
- Development of correct and accurate purchasing documents. This could be an approved requisition (R#), limited purchase order (L#), or procurement card. **Note:** *Procurement Card may only be used if prior authorization has been received from Purchasing.* (Client)
- Acceptance and upload of files to outside vendor; order placed. (Print Media Manager)
- Production proof check and/or Blueline check; press check if required. (Print Media Manager)

Printing will then be delivered via Central Receiving to the originating department upon completion.

#### 5.3.2 Incidental Copying

Incidental copying is copying and document productions within a quantity limit and job specification that does not reasonably require the Pride Shop high-volume duplication equipment or services. In other words, incidental copying is the day-to-day production and copying of documents using available PC printers and office copy machines. Incidental copying may be purchased from an outside source, only if an employee is in a situation that limits them from using university copiers. **Note:** *Procurement Card may only be used if prior authorization has been received from Purchasing.*

#### 5.3.3 Copy Centers

The needs of some agencies make it necessary to maintain a copy center. A copy center is a centralized, agency-maintained printing location for quickly producing certain types of high-volume duplicates. The on-site copy center for A&M-Commerce is the Pride Shop located in the Rayburn Student Center.

#### 5.4 Use of Private Consultant

Consulting services shall be submitted to the Department of Purchasing for processing. Consulting services requisitions will be processed in accordance with System Regulation 25.99.03 *Contracting for External Consultants and Professional Services.*

#### 5.5 Exempt Purchases

The following services are exempt from competitive bidding requirements, regardless of dollar amount:

5.5.1 Classified Advertising: expenses such as newspaper, magazine, radio, television, billboards, classifieds, yellow page ads, and all other printed advertisements. This exemption only covers advertisements and does not extend to fees paid to public relations or advertising firms for their services in developing or executing coordinated campaigns or programs.

5.5.2 Conference Expense: expenses related to conference room services such as audio/visual/network and food services (does not include goods purchased for attendees or transportation services).

- 5.5.3 Hotels and Conference Rooms: expenses related to the rental of hotel rooms and conference rooms (does not include hotel rooms for programs and conferences that are regularly scheduled throughout the year). For example, a department that hosts seminars/workshops throughout the year and is responsible for making lodging accommodations for the participants is not exempt if the projected costs of the rooms exceed \$5,000.
- 5.5.4 Moving Expenses: (employee) institutional funds only.
- 5.5.5 Lecturers/Guest Speakers/Entertainers: fees for speakers/lecturers/entertainers hired on a one-time basis (does not include fees for speakers on a continuous basis).
- 5.5.6 Student Travel: expenses related to student travel .
- 5.5.7 Library materials: specific for Texas A&M University-Commerce Libraries.
- 5.5.8 Legislative information services: bill analysis services.
- 5.5.9 Membership fees and dues.
- 5.5.10 Newspaper and magazine subscriptions direct from the publisher.
- 5.5.11 Freight.
- 5.5.12 Postage.
- 5.5.13 Services provided by other State of Texas agencies, System members, or by other local governments (inter-agency and inter-local agreements must be reviewed by Purchasing and/or Contract Administration).
- 5.5.14 Registration fees and associated books and materials.
- 5.5.15 Rental of exhibit space (booths for display purposes).
- 5.5.16 Goods and services provided by the Texas Department of Criminal Justice.
- 5.5.17 Goods and services provided by the Texas Industries for the Blind and Handicapped.
- 5.5.18 Internal repairs.
- 5.5.19 Insurance premiums.
- 5.5.20 Purchases from federal agencies.

- 5.5.21 Utilities.
- 5.5.22 Purchase of livestock.
- 5.5.23 Catering services (on-campus food services vendor).
- 5.5.24 Group Purchasing Programs (Co-Op).
- 5.5.25 Medical Doctor Services.
- 5.5.26 Professional Engineering Services.
- 5.5.27 Professional Architectural Services.
- 5.5.28 Purchases from the GSA Contracts.
- 5.5.29 Software.
- 5.5.30 Artists (Painters, Sculptors, Compositions, Performers).
- 5.5.31 Works of Art.
- 5.5.32 Employee & Prospective Employee Travel.

#### 5.6 Lease of Space

All lease-of-space requests for the university, regardless of the amount, must be submitted to the Department of Purchasing for processing. Requests must include a purchase requisition and specific lease information.

#### 5.7 Lease/Purchase or Installment Payment Purchase

Requests for all lease-purchases or installment payment purchases, regardless of the amount, shall be submitted to Purchasing for processing.

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## Related Statutes, Policies, or Requirements

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[Texas Education Code, 51.9335\(a\)-\(e\)](#)

System Policy [07.01 Ethics](#)

System Policy [25.07 Contract Administration](#)

System Regulation [25.07.01 Contract Administration Procedures and Delegations](#)

System Regulation [25.07.03 Acquisition of Goods and/or Services](#)

System Regulation [25.99.03 Contracting for External Consultants and Professional Services](#)

This procedure supersedes University Rule 25.99.02.R1 *Purchasing Rule*

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## Definitions

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Best Value – the means/methods that goods and/or services are procured as defined by Education Code 51.9335

Historically Underutilized Business - a historically underutilized business is an entity with its principle place of business in Texas, and is at least 51% owned by an Asian Pacific American, Black American, Hispanic American, Native American and/or American woman who resides in Texas and have a proportionate interest and demonstrate active participation in the control, operation and management of the entity's affairs.

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## Contact Office

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Department of Purchasing  
903-886-5060