

TEXAS A&M UNIVERSITY-KINGSVILLE

Title: Procurement Regulation

Procurement Rule No.: P-020

Approved by:

Date: 6/5/96

I. Purpose

In order for the University to maintain its position of leadership, it is imperative that we continually strive for lower cost in every area of our educational and research operations. A large element of cost is purchased materials, equipment, and services. These costs account for about 20% of our budget, and provide us with an excellent opportunity for cost reduction and control.

Procurement is an important activity where it is mandatory that the responsibility for acquiring materials and services be assigned to a group of people skilled in statutory regulation, negotiating, cost reduction and other Procurement techniques.

The primary responsibility is to provide for the purchase of materials, supplies and services, with the objective that they will be available at the proper time, in the proper place, in quantity, quality and price consistent with the needs of the University. This balancing of several factors is critical.

To achieve this overall objective, all employees must adhere to the responsibilities, authorities and controls set forth in this policy, and related policies and procedures.

II. Scope

This policy applies to all purchase and purchase-related documents prepared or processed within the University.

III. Responsibilities

A. The Director of Procurement and General Services has the responsibility for the procurement of all goods and services, the processing and sale of surplus goods and equipment, and to either provide the services for such procurement and processing or give functional directions to others delegated the authority to perform such services.

B. Only those persons expressly delegated by the President are authorized to commit the University for the purchase of materials, equipment, supplies and services.

C. Procurement has the responsibility for obligating the University and for making the final determination of source of supply, quantities purchased, delivery schedule and price negotiations, except where others are so authorized. These decisions will be made in conjunction with the Using Department, Physical Plant Operations, University Engineering, Property Management, Computing and Information Services, Accounting and other departments, as appropriate.

- D. Procurement is responsible for initiating and maintaining effective and professional relationships with suppliers, actual and potential.
- E. Procurement is to serve as the exclusive channel through which all requests regarding prices and products are handled. The Procurement Department will conduct all correspondence with suppliers involving prices or quotations. In cases where technical details are necessary, the using department may correspond with suppliers. In such cases, the Procurement Department should be provided with copies of all such correspondence. Close communication and coordination between Procurement and the using departments must occur.
- F. All negotiations are to be handled by the appropriate Procurement personnel within their delegated authority.
- G. When supplier sales representatives make personal sales calls, they are to be directed to call on the appropriate Purchaser at that time.
- H. All employees involved in Procurement activities will work to maintain and enhance the University's image by their personal conduct and methods of doing business.
- I. All employees engaged in Procurement activities will recognize and practice good public relations by giving all callers and visitors courteous treatment.
- J. Vendor selection and products purchased are to meet the basic policies and standard practices of the University. The orderly replacement "by attrition" is to occur when cost-effective and operating commitments can be met.
- K. Procurement personnel are to seek to obtain and purchase all goods at the lowest possible total end-use cost, considering the guidelines of "best value" Procurement.
- L. The Director of Procurement and General Services is to assume full authority to question the quality and kind of material asked for, in order that the best interests of the University may be served.
- M. Procurement personnel are to inform ordering departments whenever the quantity or specifications of materials ordered are inconsistent with sound Procurement practices or market conditions.
- N. Procurement personnel will work to establish and encourage punctual delivery of specified goods and services in correct quantities.
- O. Procurement personnel will negotiate the return of rejected equipment or supplies to suppliers.
- P. The Director of Procurement and General Services is to advise Executive Staff of economic conditions and changes significant to the University's long-and-short-term interests.