

TEXAS A&M UNIVERSITY-KINGSVILLE

Title: Basic Procurement Procedures

Procedure No.: PP-030

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1.0 GENERAL

1.1 All purchases must comply with University's Procurement Procedures. Each purchase must be fully documented with all documents retained in accordance with the University's records retention schedule. There are three types of purchasing authority:

- (1) purchases processed directly through and by the Office of Procurement and General Services;
- (2) purchases delegated to specific departments, e.g., Library; and
- (3) purchases limited by dollar amount delegated to departments.

Purchases requiring a written contract 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](#). The Office of Procurement and General Services will process contract reviews as required.

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:

- 1.3.1 purchase price;
- 1.3.2 reputation of the vendor and of the vendor's goods or services;
- 1.3.3 quality of the vendor's goods or services;
- 1.3.4 extent to which the goods or services meet the University's needs;
- 1.3.5 the vendor's past performance with the University;
- 1.3.6 impact on the ability of the University to comply with laws and rules relating to Historically Underutilized Businesses and to the procurement of goods and 1.3.8 services from persons with disabilities;
- 1.3.7 total long-term cost to the University of acquiring vendor's goods and services;
- 1.3.8 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
- 1.3.9 any other relevant factor that a private business entity would consider in selecting a vendor.

20. PURCHASE OF GOODS OR COMMODITIES

2.1 Unless a specific written delegation to purchase goods or commodities has been given to the department, all requisitions for purchases of goods or commodities in excess of \$5,000 must be forwarded to the Office of Procurement and General Services.

2.2 The Office of Procurement & General Services has delegated the authority to departments to make purchases of goods and commodities without competitive bid for \$5,000 or less (including freight and/or postage).

2.2.1 All employees making purchases under delegated purchasing authority shall adhere to the Texas A&M University System Ethics Policy.

2.2.2 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.

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

2.2.4 Departments shall provide equal opportunity and access to all vendors for the purchase of goods and commodities. The Office of Procurement and General Services will assist in identifying Historically Underutilized Businesses (HUBs) for such purchases.

2.2.5 Departments shall purchase goods, whenever possible, from persons with disabilities (Texas Industries for the Blind and Handicapped). The Office of Procurement and General Services will assist in identifying TIBH contracts. TIBH contracts may be viewed at the following website: <http://www.purchaseplus.com/catindex.htm>

2.3 All purchases in excess of the authorized departmental purchase limit shall be submitted as a requisition to the Office of Procurement and General Services. Upon receipt of the purchase requisition, the Office of Procurement and General Services will determine the appropriate method of procurement and process accordingly. The State of Texas has awarded contracts that are available for use by all state agencies and institutions of higher education. Information, regarding what types of goods or commodities are available on state contracts, may be found at the TBPC website. Departments are highly encouraged to review and utilize the state contracts whenever possible. The Office of Procurement and General Services administers many University and system-wide blanket-pricing contracts. These contracts must be used if they provide services or goods that meet the requisitioner's need.

3.0 EMERGENCY PURCHASES

3.1 An emergency purchase is defined as a purchase of goods or services so badly needed that a department will suffer financial or operational damage unless they are secured immediately. In the case of an emergency, departments must notify the Office of Procurement and General Services immediately. If the emergency happens after normal business hours, the department shall notify the Department of Purchasing Services on the next business workday.

3.1.1 A written emergency justification is required.

3.1.2 Bids are not required for purchases of \$5,000 or less, however, departments are encouraged to obtain bids when possible. For purchases in excess of \$5,000 three informal bids must be obtained except when securing bids would significantly impede the process of completing the purchase.

4.0 PURCHASE OF SERVICES

4.1 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.

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

4.1.2 If the service can only be provided by a sole source provider, a letter of justification explaining why the service is needed and why it cannot be obtained competitively must be submitted with the requisition.

4.2 If a department knows that services will be needed and rendered throughout the fiscal year, requisitions for purchases of services in excess of \$5,000 per fiscal year must be forwarded to the Office of Procurement and General Services

5.0 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 over \$5,000 for software shall be sent to the Office of Procurement and General Services for processing. Software with a cost not exceeding \$5,000 and requiring the execution of a third party contractor license must be submitted to the Office of Procurement and General Services prior to any commitment for the purchase of the software. Department heads are authorized to purchase software costing \$5,000 or less when no contract is required.

5.2 Rental of Machines and Equipment

Rental of machines and equipment that do not include an operator are considered goods and rentals that include an operator provided by the supplier are services.

5.2.1 All rentals in excess of \$5,000 must be processed through the Office of Procurement and General Services prior to the date of required use. For rentals with an estimated value less than \$5,000, the department may purchase the services using their delegated authority.

5.3 Use of Private Consultant

Consulting services of \$5,000 or less may be processed utilizing the Limited Order screens in the Purchasing Module. Consulting services in excess of delegated authority shall be requisitioned through the Office of Procurement and General Services. Consulting services requisitions will be processed according to guidelines addressed in the oversight requirements listed in [System Regulation 25.99.03: Contracting for External Consultants and Professional Services](#).

5.4 Lease of Space

All lease-of-space requests for the University, regardless of the amount, must be submitted to the Office of Procurement and General Services for processing. Requests must include a purchase requisition and specific lease information (required lease information to be included in the example requisition may be found at the following website: <http://purchasing.tamu.edu>).

5.5 Lease/Purchase or Installment Payment Purchase

Requests for all lease-purchases or installment payment purchases, regardless of the amount, shall be submitted to the Office of Procurement and General Services for processing.

5.6 Exempt Purchases

The following services are exempt from competitive bidding requirements:

Classified Advertising: expenses such as newspaper and magazine advertisements (does not include public relations/advertising campaign related services)

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)

Hotels 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)

Moving Expenses: (employee) institutional funds only

Lecturers/Guest Speakers/Entertainers: fees for speakers/lecturers/entertainers hired on a one-time basis (does not include fees for speakers/lecturers on a continuous basis)

Student Travel: expenses related to student travel with the exception of air and bus charter

Library materials: specific for Texas A&M University-Kingsville Libraries

Legislative information services: bill analysis services

Membership fees and dues

Newspaper and magazine subscriptions direct from the publisher

Copyrighted material purchased directly from the Publisher (including Software)

Services provided by other State of Texas agencies, TAMUS components or by other local governments (Inter-agency and Inter-local agreements must be reviewed by the Office of Procurement and General Services)

Registration fees and associated books and materials

Rental of exhibit space (booths for display purposes)

Goods and services provided by the Texas Department of Criminal Justice

Goods and services provided by the Texas Industries for the Blind and Handicapped

Internal repairs

Purchases from Federal agencies

Utilities

Other Purchases Subject to Modified Or Exempt Bidding Procedures Include:

- Advertising, Billboards
- Advertising, Newspapers & Periodicals
- Advertising, Newspaper Classifieds
- Advertising, Newspaper Inserts
- Advertising, Radio/Television
- Agricultural Commodities (Feeds, Grains, Meal)
- Airline Tickets
- Ambulance Services
- Appraisal Fees (Registered Land Appraisers)
- Architectural Services
- Artists (Painters, Sculptors, Compositions)
- Attorney Fees
- Automobile Inspections Fees (State)
- Automobile License Fees
- Boiler Inspection Fees
- Bond Premiums
- Burial Expenses
- Certified Financial Analyst Services
- Certified Public Account Fees
- Consultants
- Court Costs

Court Judgements
Demurrage Fees
Employee Insurance Payments
Employee Moving Expenses (Reimbursements)
Employee Travel
Financial Institution Service Fees
Governmental Services Rendered by Local Governments
Group Purchasing Programs (Co-Op)
Guest Speakers
Interagency Purchases
Internal Repairs
Interpreters for the Deaf
Intrasystem Purchases
Investment Brokerage Fees
Items Purchased for Resale
Land
Lecturers in Higher Education
Legal Fees
Legislative Clippings(Bill Analysis)
Library Information Services and Publications
Livestock
Meals
Medical Doctor Services
Medically Prescribed Prescriptions
Membership fees and dues
Museum Grade Artifacts
Notary Fees
Optometrist Services
Performing Artists (Music, Entertainment)
Pharmacist Services
Postage
Proctor Fees (test monitoring and evaluation)
Professional Accountancy Services
Professional Audit Services
Professional Engineering Services
Professional Interior Designer Fees
Professional Landscape Architect Fees
Professional Licensing Fees
Professional Physician Assistant Fees
Purchases for Organized Activities
Purchases from the GSA Contracts
Purchases from the U.S. Government

Purchases less than the established bid limit
Purchases of Evidence
Registration Fees for Conferences/Seminars
Rental of Exhibit Space
Software
State Fees, Texas Department of Licensing and
Regulation
Title Policy/Abstract Fees
Trade Periodicals, Magazines, Journals, and
Reports
Utilities
Veterinarian Services
Water Well Repairs
Witness Fees
Works of Art

6. PURCHASE OF EQUIPMENT WITH FEDERAL FUNDS

6.1 Each requisition for the purchase of equipment with federal funds must be screened by the Office of Procurement and General Services and the Surplus Property Manager to make certain that such equipment is not available on campus. The requisition must reflect the class code(s) under which the equipment being requisitioned can be found.

6.2 If such equipment is available, the Office of Procurement and General Services Surplus Property Manager will contact the owner of the equipment and the requisitioner to consider the feasibility of using the available equipment. If the available equipment meets the requirements for equipment requisitioned for the project but use of this equipment is not mutually agreeable between the owner and the requisitioner, written justification from the dissenting party or parties must be submitted to the Surplus Property Manager and approved by the appropriate Vice President prior to procurement of new equipment.

6.3 If satisfactory equipment is not available, the Surplus Property Manager will approve the requisition and forward it to the Office of Procurement and General Services.

6.4 If the equipment requisitioned exceeds \$5,000 and is available only from a single source, the requisitioner is responsible for obtaining prior approval of the purchase or a waiver of the prior approval option from the sponsoring agency.

6.5 Vendors must be in compliance with Executive Order 11246 (Equal Employment Opportunity) when orders exceeding \$10,000 are awarded. A written copy of the vendor's affirmative action plan is required on all orders exceeding \$50,000. Additionally, the vendor's written assurance of compliance with the Clean Air Act of 1970 and the Federal Water Pollution Act must be obtained on all orders exceeding \$100,000.

OFFICE OF RESPONSIBILITY: Office of Procurement and General Services
GOVERNING STATUTE: Texas Education Code, 51.933 5(a)-(e)