# TEXAS A&M UNIVERSITY-KINGSVILLE

## Procurement Manual

### Table of Contents

#### TITLES & PROCEDURES

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>PP-001 Welcome</td>
<td>3</td>
</tr>
<tr>
<td>PP-002 Format for Procurement Procedures</td>
<td>4</td>
</tr>
<tr>
<td>PP-010 Purchasing Procedures Manual</td>
<td>5</td>
</tr>
<tr>
<td>PP-020 Organization</td>
<td>8</td>
</tr>
<tr>
<td>PP-030 Basic Procurement Procedures</td>
<td>9</td>
</tr>
<tr>
<td>PP-031 Protest Procedure</td>
<td>17</td>
</tr>
<tr>
<td>PP-032 Dispute Resolution Procedure</td>
<td>19</td>
</tr>
<tr>
<td>PP-033 Electronic and Information Resources Procedure</td>
<td>20</td>
</tr>
<tr>
<td>PP-035 Department Purchase Authority</td>
<td>24</td>
</tr>
<tr>
<td>PP-036 Requirements for Training &amp; Certification of Procurement Professionals</td>
<td>25</td>
</tr>
<tr>
<td>PP-040 Approval Requirements for Purchases</td>
<td>27</td>
</tr>
<tr>
<td>PP-050 Confidentiality</td>
<td>28</td>
</tr>
<tr>
<td>PP-060 Conflict of Interest</td>
<td>29</td>
</tr>
<tr>
<td>PP-062 Preparation of Specifications</td>
<td>32</td>
</tr>
<tr>
<td>PP-064 Evaluation of Bids and Proposals</td>
<td>36</td>
</tr>
<tr>
<td>PP-065 Purchasing Accountability and Risk Analysis Procedure</td>
<td>37</td>
</tr>
<tr>
<td>PP-066 Risk Assessment Worksheet</td>
<td>41</td>
</tr>
<tr>
<td>PP-070 Bids and Quotations--Processing</td>
<td>48</td>
</tr>
<tr>
<td>PP-074 Purchases with HEAF Funds</td>
<td>50</td>
</tr>
<tr>
<td>PP-095 Pre Approval Required for Equipment/Supplies/Services</td>
<td>52</td>
</tr>
<tr>
<td>PP-100 Change Orders</td>
<td>54</td>
</tr>
<tr>
<td>PP-120 Sole Source Justification</td>
<td>55</td>
</tr>
<tr>
<td>PP-130 Contracting Program</td>
<td>57</td>
</tr>
<tr>
<td>PP-131 Standard Contract</td>
<td>63</td>
</tr>
<tr>
<td>PP-132 Contract Addendum</td>
<td>64</td>
</tr>
<tr>
<td>PP-135 Reporting Requirement</td>
<td>65</td>
</tr>
<tr>
<td>PP-140 Non-PO Based Invoice</td>
<td>68</td>
</tr>
</tbody>
</table>
PP-160 Departmental Requisition Form ................................................................. 71
PP-180 Purchase Order Cancellation ...................................................................... 75
PP-200 Historically Underutilized Businesses .......................................................... 76
PP-210 Negotiations .................................................................................................. 78
PP-220 Purchase Order Preparation Procedures ...................................................... 81
PP-230 Price Validation .............................................................................................. 82
PP-250 Purchasing Department Files ......................................................................... 83
PP-260 Return for Credit Procedure .......................................................................... 84
PP-270 Returnable Material Procedure ..................................................................... 85
PP-275 Buyer Liability ................................................................................................ 86
PP-280 Rush Procedure .............................................................................................. 88
PP-290 Bids ................................................................................................................ 89
PP-291 Disposal of Surplus Property ......................................................................... 91
PP-305 End of Year Cleanup ....................................................................................... 93
PP-320 Use of University Name ................................................................................ 94
PP-330 Supplier Obligations ...................................................................................... 95
PP-415 Purchases of Precursor Chemicals and Controlled Laboratory Apparatus ........ 96
PP-430 Food Purchases ............................................................................................. 102
PP-440 Purchase of Used or Demo Equip. .................................................................. 104
PP-450 Lease of Space and Real Property Transactions .......................................... 105
PP-460 Purchase of Furniture ................................................................................... 106
PP-500 Services ........................................................................................................ 107
PP-505 Use of Private Consultants .......................................................................... 108
PP-520 Guest Speaker/Guest Panelist/Lecturer in Higher Education Services .......... 111
PP-590 Employee vs. Independent Contractor .......................................................... 113
PP-700 Procurement Card Program ......................................................................... 115
PP-720 Export Controls ............................................................................................. 116
Welcome to Texas A&M University-Kingsville Office of Strategic Sourcing & General Services. This manual has been prepared in an effort to inform you of our organization and our procedures in processing purchases.

Strategic Sourcing & General Services is responsible for the purchasing of supplies, equipment and services necessary for the operation of the University.

As an agency of the State of Texas we are bound by the laws of the State of Texas and the policies of the Texas A&M University System. We subscribe to the Code of Ethics as outlined by The Texas A&M University System, the National Association of Educational Buyers, the State of Texas, the National Association of Purchasing Management, and the National Institute of Governmental Purchasing.

Within Strategic Sourcing & General Services, there are three functional divisions to service your total procurement needs. The Procurement Division is responsible for the purchase of capital equipment, services and consumables. The Contract Administration Division is responsible for ensuring contract management and compliance and the Central Receiving Division receives and redistributes inbound freight for the University and participates in the Shred, Electronic Recycling and Surplus Programs.

Communication is a key factor in the purchasing process. We want to do all we can to help you obtain your equipment and supplies as needed. Please feel free to call on us anytime you have questions or comments at 361-593-3814.
PP-002 Format for Procurement Procedures
Approved January 26, 2018
Revised
Next Schedule Review: January 26, 2023

1. Purpose

To establish uniform procedures for the periodic review on the adoption of new procurement procedures and/or revision of current policies in regards to the procurement of materials and services that are consistent with the policies of the University.

2. Scope

These procedures apply to all procurement procedures dealing with materials and service procurements and related activities.

3. Procedure

Strategic Sourcing & General Services is responsible for the concise creation of a procurement manual with specific directives to provide operational details on purchasing requirements.

The Strategic Sourcing & General Services Executive Director is responsible for the periodic review of the procurement manual and the adoption or new procedures and/or the revision of current procedures.

Each procurement procedure must be reviewed at least every five years. All procedures are subject to review at any time and may be revised as needed.

The template system will be as follows:

- PP – Procurement procedure
- Approved – Initial approval date
- Revised Date – Each revised date will be listed
- Next Schedule Review – Next schedule review date i.e. reviewed at least every five years

1. Purpose – Purpose of the procedure for a given process
2. Scope – Scope of the procedure
3. Procedure – Information provided to complete a procedure
1. Purpose

To establish uniform procedures for the procurement of materials and services that are consistent with the policies of the University.

2. Scope

These procedures apply to all materials and service procurements and related activities.

3. Procedure

3.1 It is the individual responsibility of each employee involved in the procurement process to understand the policies upon which these procedures are based, and the meaning and intent of the procedures themselves.

3.2 If there are any questions or concerns relative to either the policies or procedures, or the ability of the employee to respond effectively to the requirements of the procedures, then it is the responsibility of the employee to bring such matters to the attention of the Executive Director of Strategic Sourcing & General Services immediately.

3.3 The fundamental purpose of these procedures is not to restrict the effectiveness of the individuals involved in procurement, but to provide a foundation for effective, consistent and complete consideration of all aspects of the task with the expected result being a positive, professional relationship between the employees of the University and the suppliers who serve the University.

3.4 Departments are encouraged to anticipate needs. Contact Strategic Sourcing & General Services as early as possible when needs are determined. Early involvement of Strategic Sourcing & General Services enhances the timely delivery of services and equipment. Strategic Sourcing & General Services will research possible suppliers, assist department in evaluating supplies and equipment, and develop specification that meet the University’s requirements.

3.5 The University assumes no liability for any order until it has been reviewed and signed by a member of Strategic Sourcing & General Services authorized to act as an agent of the University.

3.6 By State Law, whenever possible purchases are based on competitive bids. All bids must comply with current state regulations. A separate, sequential, and/or component purchase ordered or purchased with the intent of avoiding the competitive bidding and competitive proposal requirements; from the same supplier, by the same office/employee, department are treated as if they are of a single purchase and of a single contract. No officer/employee shall intentionally or knowingly make or authorize separate, sequential or component purchases to avoid the competitive bid requirements. Purchases may not be broken down into small purchases in order to meet the specified dollar limit.

3.7 All purchases, except departmental authorized purchases, are to be originated by completing a department requisition. Strategic Sourcing & General Services will handle the transaction from this point forward including the solicitation of bids, evaluation of bids and selection of suppliers. Upon receipt of a properly completed Departmental Requisition, Strategic Sourcing & General Services classifies the transaction on the requisition and processes it accordingly.

3.7.1 The Departments have some limited authorizations to procure goods and services. Each individual must be thoroughly aware of the limits of these authorities. Failure to abide by the rules and procedures may result in personal liability for unapproved procurements.

3.8 Strategic Sourcing & General Services Mission: The overall mission of Strategic Sourcing & General Services is to procure all goods and services, and dispose of surplus property in support of the Mission of the University. A continuing goal is to procure
material and service requirements in a timely manner at the lowest competitive price while adhering to all statutory, regulatory, and administrative rules.

Strategic Sourcing & General Services will:

- **ENSURE** the uninterrupted flow of production by obtaining and ensuring delivery of acceptable quality of goods and services, at the right time and price.
- **DEVELOP** reliable alternate sources of supply to meet University requirements.
- **TREAT** all prices and technical information submitted by suppliers as confidential in order to preserve a good business reputation and obtain competitive prices.
- **COMPLY**, in all respects, with the antitrust laws, and with all other applicable laws without qualification or evasion.
- **PURCHASE** material and service for the University’s use at the maximum end-use value per dollar spent.
- **RESOLVE** complaints on all purchased goods and services.
- **PROVIDE** leadership in the standardization of materials, supplies, service and procedures.
- **PROVIDE** leadership for the management of inventories of purchased goods so as to meet the use requirements of the University’s department at the lowest possible cost.
- **DISPOSE** of, to the best advantage, all material and equipment declared to be surplus or obsolete.

Strategic Sourcing & General Services is responsible for providing operational systems for procurement. The below systems are utilized for procurement processes.

A. **E-Procurement – JavelinaBuy**. This is the same AggieBuy E-Procurement System implemented to a majority of the system members.
   - Training Materials are located at the following site: [https://aggiebuy.tamu.edu/training/](https://aggiebuy.tamu.edu/training/)

B. **FAMIS – Financial Accounting Management Information System** is an electronic accounting system used by the Texas A&M University System for financial accounting and budgetary purposes.

C. **Laserfiche**
   - A system that creates an enterprise content management, business process automation, workflow, records management, document imaging and webform software.
   - **Training Materials**
     - Laserfiche Online Training [http://laserfiche.tamu.edu/training.php](http://laserfiche.tamu.edu/training.php)

D. **Laserfiche Contract Management System**
   - Streamlines the entire lifecycle of contracts from internal contract requests to final signature and archiving.
   - **Training Materials:**

E. **Citibank Purchasing Card System/Program**
   - Citibank provides a procurement card (p-card) to optimize the procurement process by establishing a more efficient, cost effective method for purchasing and payment of small dollar purchases.

Single Sign On - Online Training Courses
2112001: Procurement Card Introduction Training
2111721: P-Card Refresher Course 1311B

Training Materials:
How to login to Citibank and allocate charges:
 Individual Cardholders  http://www.tamuk.edu/ssgs/Forms/CitibankOnlineAllocationIndvUser.pdf
 Group Managers  http://www.tamuk.edu/ssgs/Forms/CitibankOnlineAllocationGrpMgr.pdf

How to run/print the expense report:
 Individual Cardholders  http://www.tamuk.edu/ssgs/Forms/CitibankExpenseReportIndvUser.pdf
1. Purpose

The purpose of this policy is to establish the hierarchy of authority and responsibility upon which all of the policy and procedure bulletins in this manual are based.

2. Scope

This policy applies to all employees.

3. Procedure

The President of the University is responsible for the maintenance of this organization via the Vice President of Finance & CFO and the Executive Director of Strategic Sourcing & General Services.

4. Organization

4.1 The organization chart on the SSGS Website shows the positions referred to in this manual:
1. 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.

2. Scope

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

3. Procedure

3.1 The Executive Director of Strategic Sourcing & 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.

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

3.3 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, ITech Department, Accounting and other departments, as appropriate.

3.4 Procurement is responsible for initiating and maintaining effective and professional relationships with suppliers, actual and potential.

3.5 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.

3.6 All negotiations are to be handled by the appropriate Procurement personnel within their delegated authority.
3.7 When supplier sales representatives make personal sales calls, they are to be directed to call on the appropriate Purchaser at that time.

3.8 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.

3.9 All employees engaged in Procurement activities will recognize and practice good public relations by giving all callers and visitors courteous treatment.

3.10 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.

3.11 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.

3.12 The Executive Director of Strategic Sourcing & 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.

3.13 Procurement personnel are to inform ordering departments whenever the quantity or specifications of materials ordered are inconsistent with sound Procurement practices or market conditions.

3.14 Procurement personnel will work to establish and encourage punctual delivery of specified goods and services in correct quantities.

3.15 Procurement personnel will negotiate the return of rejected equipment or supplies to suppliers.

3.16 The Executive Director of Strategic Sourcing & General Services is to advise Executive Staff of economic conditions and changes significant to the University’s long-and-short-term interests.

4. General Procedure

4.1 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 Strategic Sourcing & 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, System Regulation 25.07.01: Contract Administration Procedures and Delegation and Rule 25.07.99.K1 Contract Administration. Strategic Sourcing & General Services will process contract reviews as required.

4.2 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.

4.3 All purchased shall be based on a “best value” and shall encompass the following:

1. purchase price;
2. reputation of the vendor and of the vendor’s goods or services;
3. quality of the vendor’s goods or services;
4. extent to which the goods or services meet the University’s needs;
5. the vendor’s past performance with the University;
6. impact on the ability of the University to comply with laws and rules relating to Historically Underutilized Business and to the procurement of goods and services from persons with disabilities;
7. total long-term cost to the University of acquiring vendor’s goods and services;
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
9. any other relevant factor that a private business entity would consider in selecting a vendor.

5. Purchase of Goods or Commodities

5.1 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 Strategic Sourcing & General Services.

5.2 Strategic Sourcing & General Services has delegated the authority to departments to make purchases of goods and commodities without a competitive bid for $5,000 or less (including freight and/or postage).

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

5.2.2 Purchases within these dollar limits require proper documentation on the Non-Catalog Item or Non-PO Based Invoice in the E-Procurement System or as provided in the University Guidelines for Procurement Card purchases.

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

5.2.4 Departments shall provide equal opportunity and access to all vendors for the purchase of goods and commodities. Strategic Sourcing & General Services will assist in identifying Historically Underutilized Businesses (HUBs) for such purchases.

5.2.5 Departments shall purchase goods, whenever possible, from persons with disabilities (Texas Industries for the Blind and Handicapped). Strategic Sourcing & General Services will assist in identifying WORKQUEST (FORMERLY KNOWN AS TIBH) contracts. WORKQUEST (FORMERLY KNOWN AS TIBH) contracts may be viewed at the following website: http://www.tibh.org/catalog/

5.3 All purchases in excess of the authorized departmental purchase limit shall be submitted as a requisition to Strategic Sourcing & General Services. Upon receipt of the purchase requisition, Strategic Sourcing & 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 Texas Comptroller of Public Account’s website. Departments are highly encouraged to review and utilize the state contracts whenever possible. Strategic Sourcing & 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.

6. Emergency Purchases

6.1 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 Strategic Sourcing & General Services immediately. If the emergency happens after normal business hours, the department shall notify the Department of Strategic Sourcing & General Services on the next business workday.

6.1.1 A written emergency justification is required by utilizing the Emergency Purchase Requisition Justification Form located on the SSGS website.

6.1.2 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.

6.1.3 The ability to make purchases quickly and easily post-disaster is essential to ensure during and after all departments needs are met during recovery. Following any major disruptive event, Strategic Sourcing & General Services will proactively inform the campus about the status of campus procurement systems.
6.1.4 To the extent that systems are operating normally, the normal procurement policies, procedures & restrictions will continue to apply. To the extent that systems are not working, SSGS will issue instructions how to proceed.

6.1.5 If the normal Purchase Order and Purchase Requisition systems are not operable, the P-card will be the principal mechanism for making purchases for a temporary period. Should this happen, SSGS Services will act, as circumstances deem appropriate, to raise card limits and/or remove restrictions on types of purchases for a specific identified number of p-card holders.

6.1.6 During times of crisis, proper record-keeping for P-card purchases MUST be continued. The risks inherent in this system make diligent conformance to procedures even more important at such times.

7. Purchase of Services

7.1 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 as Subchapter B, Chapter 2254, Texas Government Code; or
4. service of a public utility

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

7.1.2 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 utilizing the Sole Source Justification Form.

7.2 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 Strategic Sourcing & General Services.

8. Purchase of Specific Goods or Services

8.1 Computer Software: All software with a cost in excess of $5,000 is classified as a capital equipment and must be inventoried. Software requiring the execution of a third party contractor license must be submitted to the Strategic Sourcing & General Services prior to any commitment for the purchase of the software.

8.2 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.

8.2.1 All rentals in excess of $5,000 must be processed through Strategic Sourcing & 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; however, if considered a service, a certificate of insurance (COI) meeting Texas A&M System limits must be included with the requisition/purchase order.

8.3 Use of a Private Consultant: Consulting services of $5,000 or less may be processed utilizing the delegation authority assigned to department. Consulting services in excess of delegated authority shall be requisitioned through Strategic Sourcing & General Services.

8.4 Lease of Space: All lease-of-space requests for the University, regardless of the amount, must be submitted to Strategic Sourcing & General Services for processing. Requests must include a purchase requisition and specific lease information. Strategic Sourcing & General Services will work with System Real Estate on the lease.

8.5 Business Meals: Business Meal expenses are allowed only when properly documented and showing evidence of the business purpose. Utilize the Food Purchase Information Form for all Business Meals. Purchases of business meals must be an authorized expense for the paying account. Proper documentation includes:

Who – a list, by name, of all the individuals present at the meal
Where – the name of the business where the meal was consumed
When – the date of the meal
What – the receipt must be an itemized listing of the foods served
Business Purpose – the reason for the meal that is directly related to the business of the University. Employees are cautioned that business meals are reserved for items that are exceptional to the regular operations of a department.

8.6 **Lease/Purchase or Installment Payment Purchase**: Requests for all lease-purchases or installment payment purchases, regardless of the amount, shall be submitted to Strategic Sourcing & General Services for processing.

8.7 **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 relate 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 speaker/lecturers/entertainers hired on a onetime 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 Service** – bill analysis services
- **Membership Fees and Dues**
- **Newspaper and Magazine Subscriptions** – direct from the publisher
- **Copyrighted Material** – purchased directly from the Publisher (included Software)
- **Services provided by other State of Texas Agencies, TAMUS Components, or Local Governments** – (Inter-agency and Inter-local agreements must be approved by Strategic Sourcing & 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:**

- Actuarial Services
- Accreditation/Licensing/Certification Services
Advertising, (Billboards, Newspapers, Magazine, Radio, Television, Yellow Pages, etc.)
Advertising, Newspapers & Periodicals
Advertising, Newspaper Classifieds
Advertising, Radio/Television

**Agricultural Commodities (Feeds, Grains, Meal)**
Airline Tickets

**Ambulance Services**
Appraisal Fees
Architectural Services
Aircraft Hangar Space
Arbitrating and Mediating Services
Artists (Painters, Sculptors, Compositions)
Attorney Fees (requires A.G. approval)
Automobile Inspections Fees (State)
Automobile License Fees
Auxiliary Enterprises
Boiler Inspection Fees
Bond Premiums
Burial Expenses
Certified Financial Analyst Services

**Conference Expense and Related Expenses to Host Conference**

**Consultants**
Copyrighted Material
Court Costs
Court Judgement
Direct Publications
Demurrage Fees
Disaster Control and Coping
Employee Insurance Payments
Employee Moving Expenses (Reimbursements)
Employee Travel
Exhibit Space
Financial Institution Service Fees
Freight
Governmental Services Rendered by Local Governments
Grant Payments
Group Purchasing Programs (Co-Op)

**Guest Speakers and Lecturers**

**Hotel and Conference Rooms**
Interagency Purchases
Intrasystem Agreements
Interlocal Agreements
Internal Repairs
Interpreters for the Deaf
Intrasystem Purchases
Investment Brokerage Fees Items Purchased for Resale
Land
Landfill Services
Lecturers in Higher Education
Legal Fees
Legislative Clippings (Bill Analysis)
Library Information Services and Publications
Licensed Peace or Law Enforcement Officer

**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
Professional Trade Publications
Public Transportation Services
Purchases for Organized Activities
Purchases from Agencies of Other States
Purchases from Contracts issued by other Texas State Agencies
Purchases from GSA Contracts
Purchases from other Institutions of Higher Education
Purchases from TCI
Purchases from Texas Surplus Property
Purchases from WorkQuest (Formally TIBH)
Purchases from the U.S. Government and/or its Agencies
Purchases less than the established bid limit
Purchases of Evidence
Radio Tower Space
Recycling Expense
Refund of Fee or Expense
Registration Fees for Conferences/Seminars
Rental of Exhibit Space
Software
Space Rental for one month or less
State Fees, Texas Department of Licensing and Regulation
Title Policy/Abstract Fees
Trade Periodicals, Magazine, Journals, and Reports
Training & Tuition Costs for Employees
Travel of a Non-State Employee, Agency, or Other Government Entity (doing business on behalf of the University)
Travel of State Employees
Utilities
Veterinarian Services
Water Well Repairs
Witness Fees
Works of Art

9. Purchase of Equipment with Federal Funds

9.1 Each requisition for the purchase of equipment with federal funds must be screened by Strategic Sourcing & General Services and by 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.

9.2 If such equipment is available, Strategic Sourcing & General Services and the 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.
9.3 If satisfactory equipment is not available, the Surplus Property Manager will approve the requisition and forward it to Strategic Sourcing & General Services.

9.4 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.

9.5 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: Strategic Sourcing & General Services
Governing Statute: Texas Education Code, 51.9335(a)-(e)
1 Purpose

This Rule details the procedure for filing protests related to the procurement of goods and/or services by the University.

2. Scope

This Rule applies to all purchases made by the University.

3. Procedure

3.1 Any actual or prospective bidder, offeror, proposer, or contractor who is aggrieved in connection with the solicitation, evaluation, or award of a contract may formally protest to the Executive Director of Strategic Sourcing & General Services. Such protests must be in writing and received in the Executive Director's office within 3 working days after such aggrieved person knows or should have known of the occurrence of the action which is protested or the award date, whichever is earlier. Formal protests must conform to the requirements of this Rule and shall be resolved in accordance with the procedures set forth in this Rule. Copies of the protest must be mailed or delivered by the protesting party to the University and other interested parties. For the purpose of this Rule, "other interested parties" means all vendors who have submitted bids or proposals for the contract involved.

3.2 In the event of a timely protest or appeal under this Rule, the University shall not proceed further with the solicitation or with the award of the contract unless the Executive Director makes a written determination that the award of contract without delay is necessary to protect substantial interests of the University.

3.3 The formal protest must contain:

   3.3.1 A specific identification of the statute, regulation, or rule that the action complained of is alleged to have violated,
   3.3.2 A specific description of each act alleged to have violated the statute, regulation, or rule described in (3.3.1) above,
   3.3.3 A precise statement of the relevant facts,
   3.3.4 An identification of the issue(s) to be resolved,
   3.3.5 Argument and authorities in support of the protest, and
   3.3.6 A statement that copies of the protest have been mailed or delivered to other identifiable interested parties.

3.4 The Executive Director shall have the authority, prior to appeal to the Assistant Vice President for Finance and CFO to settle and resolve the dispute concerning the solicitation or award of a contract. The Executive Director may solicit written responses to the protest from other interested parties.

3.5 If the protest is not resolved by mutual agreement, the Executive Director will issue a written determination on the protest.

   3.5.1 If the Executive Director determines that no violation of statute, regulation, or rule has occurred, they shall so inform the protesting party and other interested parties by letter that sets forth the reasons for the determination.
   3.5.2 If the Executive Director determines that a violation of statute, regulation, or rule has occurred in a case where a contract has not been awarded, they shall so inform the protesting party and other interested parties by letter which sets forth the reasons for the determination and the appropriate remedial action.
3.5.3 If the Executive Director determines that a violation of the statute, regulation, or rule has occurred in a case where a contract has been awarded, they shall so inform the protesting party and other interested parties by letter which sets forth the determination which may include ordering the contract void.

3.6 The Executive Director's determination on a protest may be appealed by an interested party to the Vice President for Finance and CFO. An appeal of the Executive Director's determination must be in writing and must be received in the Vice President for Finance and CFO’s office no later than 6 working days after the date of the Executive Director's determination. The appeal shall be limited to review of the Executive Director's determination. Copies of the appeal must be mailed or delivered by the appealing party to other interested parties and must contain an affidavit that such copies have been provided. The aggrieved party may request a meeting with the Vice President for Finance and CFO.

3.7 The Vice President for Finance and CFO will issue a written determination on the appeal. They shall so inform the protesting party and other interested parties by letter, which sets forth the reasons for the determination.

3.8 The determination by the Vice President for Finance and CFO shall be final.
1 Purpose

This Rule details the procedure required for resolving Disputes between vendors and the University.

2 Scope

This Rule applies to all purchases made by the University.

3 Procedure

The following procedure shall be used for all Disputes arising during a procurement transaction.

DISPUTE RESOLUTION PROCESS:

3.1 The dispute resolution process provided for in Chapter 2260 of the Government Code shall be used, as further described herein, by Texas A&M University-Kingsville and the contractor to attempt to resolve any claim for breach of contract made by the contractor:

3.1.1 A contractor’s claim for breach of this contract that the parties cannot resolve in the ordinary course of business shall be submitted to the negotiation process provided in Chapter 2260, subchapter B, of the Government Code. To initiate the process, the contractor shall submit written notice, as required by subchapter B, to the Executive Director of Strategic Sourcing & General Services. Said notice shall specifically state that the provisions of Chapter 2260, subchapter B, are being invoked. A copy of the notice shall also be given to all other representatives of Texas A&M University-Kingsville and the contractor otherwise entitled to notice under the parties’ contract. Compliance by the contractor with subchapter B is a condition precedent to the filing of a contested case proceeding under Chapter 2260, subchapter C, of the Government Code.

3.1.2 The contested case process provided in Chapter 2260, subchapter C, of the Government Code is the contractor’s sole and exclusive process for seeking a remedy for any and all alleged breaches of contract by Texas A&M University-Kingsville if the parties are unable to resolve their disputes under subparagraph (3.1.1) of this paragraph.

3.1.3 Compliance with the contested case process provided in subchapter C is a condition precedent to seeking consent to sue from the Legislature under Chapter 107 of the Civil Practices and Remedies Code. Neither the execution of this contract by Texas A&M University-Kingsville nor any other conduct of any representative of Texas A&M University-Kingsville relating to the contract shall be considered a waiver of sovereign immunity to suit.

3.2 The submission, processing and resolution of the contractor’s claim is governed by the published rules adopted by the Office of the Attorney General, pursuant to Chapter 2260, as currently effective, hereafter enacted or subsequently amended. These rules are found at 1 TAC, Ch. 68.

3.3 Neither the occurrence of an event nor the pendency of a claim constitutes grounds for the suspension of performance by the contractor, in whole or in part.

3.4 The designated individual responsible on behalf of Texas A&M University-Kingsville for examining any claim or counterclaim and conducting any negotiations related thereto as required under §2260.052 of H.B. 826 of the 76th Texas Legislature shall be the Executive Director of Strategic Sourcing & General Service, MSC 212, Room 121 College Hall, Kingsville, TX 78363.
1 Purpose

The purpose of this procedure is to provide guidance to employees engaged in any aspect of the procurement function reporting regarding procurement and contracts for Electronic and Information Resources (EIR).

2 Scope

All procurement of electronic and information resources (EIR) must comply with accessibility requirements in this procedure in addition to other applicable purchasing requirements.

Accessibility requirements apply to the procurement regardless of the disability of those served or the dollar amount of the procurement.

EIR developed, procured or significantly changed by institutions of higher learning in the state of Texas must comply with accessibility standards and specifications within 1 TAC §206 and 1 TAC §213. These standards, along with federal standards defined in Section 508 of the Rehabilitation Act as amended by the Workforce Investment Act of 1998 serve as guideposts for diversity and inclusion at Texas A&M University-Kingsville.

3 Procedure

Purchasing of EIR items

1. Electronic and Information Resources Purchases

TAC §213.17(c) - This subchapter applies to electronic and information resources developed, procured, maintained, or used by agencies directly or used by a contractor under a contract with the agency which requires the use of such product, or requires the use, to a significant extent, of such product in the performance of a service or the furnishing of a product.

This procedure provides guidance for the purchase and development of EIR for TAMUK.

Examples of Applicable Electronic and Information Resources

The following are examples of electronic and information resource purchases:

- telecommunications products such as telephones,
- information kiosks,
- transaction machines,
- web site and application development, and
- office equipment such as copiers and fax machines
- computers (mobile or desktop)
- web application software
- all computer software
- multimedia resources (videos, cods, dads)
- information resources provided by hosted or managed contract providers
Embedded Technology

If the primary purpose of the embedded technology is for the functioning of equipment or software and is not primarily for informational purposes, the technology is not considered an electronic and information resource.

Below are examples of embedded technology that is not primarily for informational purposes:

- heating, ventilation, and air conditioning equipment such as thermostats and temperature control devices, and
- Medical equipment in which information technology is integral to the operation of the equipment.

2. Planning and Developing the Purchase

1 TAC §213.17 (b) When procuring a product, each Purchaser shall procure products which comply with the provisions in this subchapter when such products are available in the commercial marketplace or when such products are developed in response to a procurement solicitation.

All TAMUK procurement for EIR must comply with these policies. All procurement documents must include a statement about EIR accessibility standards. The statement about EIR accessibility standards must be included in the Purchase Order Terms and Conditions and any requests for qualifications, requests for proposals and contract templates.

Development of the Solicitation

The accessibility standards in this procedure must be used to develop solicitation specifications and statements of work. When planning an EIR purchase, the agency must

- clearly understand and consider the uses of the EIR goods and services,
- include specifications and statements of work in solicitations that meet the needs of the agency and comply with the accessibility standards in this procedure, and
- Develop solicitation evaluation instruments that will measure whether responses to solicitations are responsive to accessibility requirements.

3. Compliance That Imposes Significant Difficulty or Expense

1 TAC §213.17 (a) (2) - When procuring a product, if a Purchaser along with the EIC Officer determines that compliance with any provision of this subchapter imposes a significant difficulty or expense, the documentation by the Purchaser along with the EIC Officer supporting the procurement shall explain why, and to what extent, compliance with each such provision would impose a significant difficulty or expense.

"Significant difficulty" must be identified during the planning and development phase. If it is not, a solicitation will likely have to be canceled and work begun on a new solicitation. If it is determined that including certain accessibility standards in a solicitation will impose a significant difficulty or expense upon the agency, an exception may be requested.

The exception for significant difficulty or expense is not an exception to overall compliance, but rather is an exception to the standard form of compliance.

Examples of significant difficulty or expense may include:

- vendors not readily available on the open market,
- excessive cost,
- unavailability of staff resources or technical support,
- program time constraints or excessively late delivery dates,
- incompatible equipment,
- lack of adequate or timely training, and
- Questionable ability of available vendors to perform according to expectations.
If an exception to the accessibility standards is granted, the purchaser must find ways to mitigate significant difficulty or expense by providing individuals with disabilities a reasonable alternative means of access to information and data.

4. Conducting the Purchase

Identifying Accessible Vendors

1 TAC §213.17 (b) (1) State agencies may use the Voluntary Product Accessibility Template (VPAT) to assess the availability of products in the commercial marketplace.

The entity conducting the purchase must research the market to determine the availability of accessible goods and services. To identify potential contract bidders or offerors, purchasing entities may use the following tools:

- information posted on vendor Web sites,
- the Comptroller's Centralized Master Bidders List (CMBL) Catalog Information System Vendor site,
- VPAT (the VPAT contains the vendor's explanation of the accessibility features of the product), and
- Other means, as appropriate.

Instructions to Purchaser for Voluntary Product Accessibility Template (VPAT)

As part of TAMUK’s procurement process for products and services that meet the definition of Electronic and Information Resources, EIR accessibility-related documentation must be submitted by vendors for each offering, or family of similar offerings.

For commercial off-the-shelf (COTS) software and online services, EIR Accessibility is determined by vendor evaluations of each offering or family of similar offerings against a set of accessibility standards as defined in Texas Administrative Code 1TAC 206 State Websites and 1TAC 213 Electronic and Information Resources Accessibility. Vendors must document the results of these evaluations by completing a VPAT. Note: Completed VPATs, or links to the completed VPATs, must be included as part of responses to TAMUK’s solicitations.

- Download the Texas Department of Information Resources guide to completing a VPAT
- Download the VPAT template from the Information Technology Industry Council (ITI) website.

For TAMUK’s solicitations related to development services for software, websites, web applications, etc., VPAT documentation is not applicable; however, in accordance with 1 TAC 213, vendors will be asked to provide credible evidence of their capability or ability to produce accessible EIR products and services. Such evidence may include, but is not limited to, internal accessibility policy documents, contractual warranties for accessibility, accessibility testing documents, and examples of prior work results.

The Buyer will obtain the VPAT from the vendor if applicable and forward to the Accessibility Coordinator (currently iTech) for university-wide compliance.

Acquisition of Information Resources Technologies

All information resources technology acquisitions must be preapproved by the iTech Department.

The iTech Department will also ensure any information resources technology acquisitions in excess of $250,000.00 will be reviewed by the System CIO and will provide the supporting documentation to Strategic Sourcing & General Services.

Both the iTech and Strategic Sourcing & General Services will coordinate for any information technology systems over $1,000,000 and submit to System Internal Audit for approval.

5. Documenting the Purchase Process

The purchaser must document in the procurement file steps taken to comply with the requirements in this procedure.

- Section 2.1, and
- Section 4.1
6. Contract Management and Monitoring

The agency must ensure that EIR services and products (goods) are provided by all parties to the contract according to contract terms and conditions.

Contract Management

When making purchases that directly or indirectly require EIR, the agency must ensure that accessibility requirements are met by the contractor.

Depending on a contract's complexity, the contract management function may be carried out as a formal or informal part of a named employee's job. In complex contracts, others may be assigned to assist the contract manager.

Accessibility management and monitoring ensures that

- contract accessibility requirements are satisfied,
- the financial interests of the agency are protected, and
- Bills associated with accessible goods and services are appropriately approved for payment or bills after the fact.

Risk Assessment

The level of accessibility management and monitoring must be consistent with the following contract aspects:

- complexity of accessibility terms and conditions,
- level and duration of risk to contracted outcomes if accessibility is not appropriately provided, and
- Potential dollar loss if accessibility is not adequately provided.

With regard to accessibility, risk assessment must include:

- consideration of accessibility standards,
- importance of accessibility to the performance of the contract,
- costs associated with accessibility,
- vendor's or provider's history in meeting accessibility standards, and
- Additional accessibility considerations, as appropriate.

7. Exception Request Process

All websites, web applications, and other electronic and information resources (EIR) must comply with certain technical accessibility standards (see the EIR Accessibility Standards table below). If achieving compliance with these standards is not possible, an EIR Accessibility Exception Request Form must be submitted for each non-compliant EIR.

8. Resources:

<table>
<thead>
<tr>
<th>EIR Category</th>
<th>Technical Accessibility Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software Applications and Operating Systems</td>
<td>[Title 1, Rule §213.30 of the Texas Administrative Code]</td>
</tr>
<tr>
<td>Websites</td>
<td>[Title 1, Rule §206.70 of the Texas Administrative Code]</td>
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<td>[Title 1, Rule §213.30 of the Texas Administrative Code]</td>
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<td>[Title 1, Rule §213.32 (2) of the Texas Administrative Code]</td>
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<tr>
<td>Telecommunications Products</td>
<td>[Title 1, Rule §213.31 of the Texas Administrative Code]</td>
</tr>
<tr>
<td>Video and Multimedia Products</td>
<td>[Title 1, Rule §213.32 of the Texas Administrative Code]</td>
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<tr>
<td>Self Contained, Closed Products</td>
<td>[Title 1, Rule §213.33 of the Texas Administrative Code]</td>
</tr>
<tr>
<td>Desktop and Portable Computers</td>
<td>[Title 1, Rule §213.34 of the Texas Administrative Code]</td>
</tr>
</tbody>
</table>
1. Purpose

To define the purchase authority for operating Departments.

2. Scope

This procedure applies University wide.

3. Procedure

3.1 Departments are delegated by Strategic Sourcing & General Services the authority to make purchases of equipment and supplies for $5,000.00 or less (including freight and/or postage) through the e-procurement system, JavelinaBuy. This delegation refers to all State, Local and Federally-funded accounts. No requisition is needed for purchases of $5,000.00 or less (including freight and/or postage) unless it is for services. There are Local, State and Federal policies and procedures that must be strictly adhered to for purchases over this amount.

3.2 Departments must first receive training for JavelinaBuy and thoroughly understand the rules and regulations relating to purchasing to receive access to create requisitions and invoices in JavelinaBuy.

3.3 Departments are encouraged to purchase all equipment and supplies, not exceeding $5,000.00, from Historically Underutilized Business (HUB’s). Strategic Sourcing & General Services will assist in identifying HUB’s for such purchases.

3.4 This delegated authority was implemented to allow departments to purchase supplies and equipment needed immediately and to allow adequate time for competitive bidding procedures mandated for large purchases. Departments are advised to carefully evaluate and plan their purchases of goods and services on a monthly/yearly basis. Purchases of like commodities in excess of $5,000.00 are to be submitted to Strategic Sourcing & General Services.

3.5 Departments are not to exceed the authorized delegated limit. Purchases may not be broken down into smaller purchases in order to meet the authorized limit of authority. Delegation of purchase authority may be revoked for intentional misuse of authority.

3.6 All Purchases made under this delegation must be entered via the e-procurement system, JavelinaBuy or with the employee’s Procurement Card. Entry procedures are covered in the AggieBuy Quick Reference Guides located at the following URL: https://aggiebuy.tamu.edu/training/
PP-036 Requirements for Training & Certification of Procurement Professionals
Approved September 16, 2004
Revised January 26, 2018
Next Schedule Review: January 26, 2023

1. Purpose

To define certification and training requirements for purchasing professionals.

2. Scope

This procedure applies to all purchases (commodities, services, and construction) made after September 1, 2016.

3. Procedures for Certification and Training Requirements

3.1 The following minimum standards for Certification and Training Requirements will apply to University employees who participate in purchasing function using state funds:

1. Employees making purchases resulting in expenditures with a job title of “purchaser” performs purchasing activities as fifteen percent (15%) or more of their job activities or makes a purchase in excess of $5,000 are required to take the State of Texas Comptroller of Public Accounts Basic Texas Purchaser Course with zero experience, certification and exam listed as none required.

2. Employees making purchases resulting in expenditures with routine purchases and contract development are required to take the State of Texas Comptroller of Public Accounts Texas Contract Developer Certification with a requirement of zero experience, CTCD Certification (formally CTPM) and an Exam score of no less than 80%.

3. Employees making purchases resulting in expenditures with a job title of “contract manager” or “contract administration manager” or “contract technician” performs contract management activities as fifty percent (50%) or more of their job activities or manages any contract in excess of $10,000,000. Employees must take the Texas Contract Manager Certification Training with a requirement of zero experience, CTCM Certification and an exam score of no less than 80%.

4. Purchasing Professionals Defined

4.1 For purposes of the Texas Comptroller of Public Accounts’ procurement training and certification program, purchasing personnel will be defined as all state agency and employees of institution or higher education to who any of the following conditions apply:

1. An employee who is responsible for any of the following purchasing/contracting functions as a regular part of their job:
   - Develops specifications based on user department’s requirements.
   - Deciding the appropriate procurement method (i.e. TxSmartBuy term contracts, form or informal IFB, Open Market, RFP).
   - Identify and/or select potential vendors.
   - Solicitation of bids, requests for proposals, requests for offers, etc. from suppliers.
   - Evaluations and ward of bids, proposals, offers, contracts, etc.
   - Administration of contracts/purchase orders from ward to completion.
2. An employee who is responsible for the purchasing/contracting function of the agency or institution of higher education with the exception of real estate leasing and major construction projects*.

3. An employee who is empowered to sign purchase orders or contracts with the exception of real estate leasing and major construction projects*.

*Major construction projects will be defined as those projects requiring the signature of the institution of higher education’s President, Chancellor, Vice Chancellor, Regents, or an agency’s Executive Director (or higher).
1. Purpose

To define authority for the approval of purchase requisitions.

2. Scope

This procedure applies to all purchase requisitions.

3. Procedure

3.1 Purchase requisitions must be approved by the appropriate individual prior to issuance of any purchase order. The Buyer is responsible for ensuring that the proper approval is obtained, either in writing or verbally, before issuing an order. The approval routing in JavelinaBuy for requisitions is to be used to obtain such approvals prior to the issuance of any purchase order.

3.2 The following guidelines are provided to assist the Buyer in ensuring that requisitions are properly approved prior to purchase.

3.3 The University has assigned the Account Manager as the authorized person to initiate and sign requisitions. If multiple accounts are used, then all responsible account managers must approve the purchase. The Account Manager’s signature authorizes fund to be expended for the procurement.
1. Purpose

To identify the confidential nature of purchasing and purchasing-related transactions.

2. Scope

This policy applies to all University employees.

3. General

3.1 It is recognized that most of the transactions relating to Purchasing may be considered to be a confidential nature—especially with regard to our vendors and our competitors. However, the State of Texas has determined that Bid and Purchase documents are public information and are included in the Open Records Act. Bid Documents are confidential and proprietary to the Bid Process until such time that they are publicly opened.

3.2 From time to time, purchasing personnel may become aware of potential bid amounts. This information must be held in strictest confidence until such times as the bids are received and made public. Overheard phone calls, documents on desks during vendor interviews, and conversations between Buyers within hearing of vendors in other offices are some examples. An awareness of this sort of situation should be created so that it may be avoided.

3.3 Passage of pricing information from an employee of the University to an employee of a competitor is not only unethical, but is likely to be in violation of one or more of the various antitrust laws and should be scrupulously avoided.

3.4 All files within the Purchasing Department are to be maintained in an up-to-date and confidential manner. Access to these files and any other documentation found within this department shall be restricted to those authorized by the Executive Director of Strategic Sourcing & General Services. See Procedure PP-250, Strategic Sourcing & General Services Files.

3.5 Anyone requesting Procurement related information under the Open Records Act must contact the Office of Compliance for further instructions.
1. Purpose

The purpose of this policy is to provide guidance to employees engaged in any aspect of the procurement function concerning the avoidance of conflict of interest and to establish the ethical standards for the procurement professionals.

2. Scope

This policy applies to all employees who participate in any phase of the procurement process.

3. Conflict of Interest

3.1 Employees engaged in the procurement function are expected to be free of interests or relationships which are potentially detrimental to the best interests of the University, and shall not engage or participate in any commercial transaction involving the University, its affiliates, divisions or subsidies in which they have a significant undisclosed financial interest.

3.2 Any employee engaged in procurement that has assumed, or is about to assume, a financial or other outside business relationship that might involve a conflict of interest, must immediately inform the supervisor of the circumstances involved. This information is to be reviewed at an appropriate level for decision on whether a conflict of interest is present and, if so, what course of action is to be taken. In this connection, a conflict of interest exists where an employee:

3.2.1 Has an outside interest that materially encroaches on time or attention which should be devoted to the affairs of the University.

3.2.2 Has a direct or indirect interest in or relationship with an outsider that is inherently unethical or that might be implied or construed to be, or make possible personal gain due to the employee’s ability to influence dealings; render the employee partial toward the outsider for personal reasons or otherwise inhibit the impartiality of the employee’s business judgment; place the employee or the organization in an equivocal, embarrassing or unethically questionable position; or reflect on the integrity of the organization.

3.2.3 Takes personal advantage of an opportunity that properly belongs to the University.

3.2.4 Uses University property without approval.

3.2.5 Buys or sells stock at a time when the employee has “inside” information as a result of his position or job within the University.

3.2.6 Discloses University trade secrets or any other proprietary information to unauthorized persons.

3.3 Conflict of Interest concerning Contract Management Handbook:

Per the Texas A&M University System Contract Management Handbook Section 5:

To avoid conflicts of interest state agencies shall require all potential contractors to disclose, in their responses to solicitations, any actual or potential conflicts of interest in their proposed provision of services or other performance under any contracts resulting from the solicitations. Specifically, principals of debarred vendors (i.e. owner, proprietor, sole or majority shareholder, director, president, managing partner, etc.) shall be identified to ensure such vendors/principals are not awarded, extended or
renewed any contract. Further, respondents should also be required to update that information throughout the terms of any contracts resulting from the solicitations.

Additionally under Section 2252.901, Texas Government Code, agencies may not enter into employment contracts, professional services contracts or consulting services contracts under Chapter 2254 with former or retired employees before the first anniversary of the last date on which the individual was employed by the agency if appropriated funds are used to make payments under the contract.

Further, effective January 1, 2016, a contracting business entity must submit a notarized copy of the disclosure of interested parties form prescribed by the Texas Ethics Commission to members for any contract (including an amendment, extension, or renewal) that has a value of at least one million dollars or requires action by the Board of Regents, unless it falls into one of the following categories:

- Contracts with other state agencies (including other state institutions of higher education), municipalities, counties, public school districts, or special-purpose districts or authorities;
- Contracts with the federal government
- Contracts with foreign governments
- Employment contracts
- Sponsored research contracts
- Contracts related to health and human services if the value of the contract cannot be determined at the time the contract is executed and any qualified vendor is eligible for the contract; or
- Grant (non-contract) documents

A “contracting business entity” includes a sole proprietorship, partnership, corporation, limited liability company, nonprofit entity, foreign company, or other legally-recognized business entity other than those governmental entities indicated above.

Information regarding contracts that require Board action can be found at https://www.ethics.state.tx.us/tec/1295-info.htm, documents in Appendix G and H, or by contacting the Office of General Counsel.

Members shall also require respondents to:

- Represent and warrant that their provision of services or other performance under the agreement will not constitute an actual or potential conflict of interest and represent and warrant that it will not reasonably create even the appearance of impropriety
- Disclose any current or former employees who are current or former employees of the member.
- Disclose any proposed personnel who are related to any current or former employees of the member.
- Represent and warrant that they have not given, nor intend to give, at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor or service to a public servant or employee or representative of the State of Texas in connection with the solicitation.

Contractors should not be allowed to assign any portion of the contract or their performance, to others, for example, subcontractors, without the prior written consent of the member. Contractors remain responsible for the performance of the contract notwithstanding any such assignment or subcontract. This ensures that the evaluated and selected entity will actually be responsible for performance and that proposed transactions may be reviewed for compliance with the conflict of interest and related party provisions.

A. The Texas A&M University System Conflict of Interest Policy

For specific policies related to Conflict of Interest within The Texas A&M University System please visit

- Conflict of Interest:
- Conflict of Commitment:
  - [http://policies.tamus.edu/07-03.pdf](http://policies.tamus.edu/07-03.pdf)
  - [http://policies.tamus.edu/07-01.pdf](http://policies.tamus.edu/07-01.pdf)
- Outside Activities:
  - [http://policies.tamus.edu/07-01.pdf](http://policies.tamus.edu/07-01.pdf)
  - [http://policies.tamus.edu/31-05-02.pdf](http://policies.tamus.edu/31-05-02.pdf)
1. Purpose

This procedure outlines a checklist for evaluating competitive specifications.

2. Scope

This procedure shall apply to all purchases that require detailed specifications.

3. General

Use this checklist to determine if a proposed specification is sufficient to ensure competition and complete enough to ensure that the user is describing the desired outcome.

1. Does the solicitation (Invitation for Bids/Proposals) have the following characteristics? YES NO

1.1 Provides quality specifications which:

1.1.1 Allows for both product and price competition?

1.1.2 Identifies the minimum acceptable requirements of the user?

1.1.3 Establishes performance and/or design characteristics with which compliance can be enforced?

1.2 Provides a methodology for bid evaluation and for an equitable award to the responsible bidder rendering the best value with all the mandatory specifications, terms, and conditions (the lowest responsive responsible bidder)?

1.3 Provides general and special terms and conditions which protect the interests of the University and the State?

2. Does the quality specifications have the following characteristics?

2.1 Competitive in both product and price?

2.2 Simple, but exact?

2.3 Verifiable (i.e., capable of being checked)?

2.4 Reasonable?

2.5 Fair?

2.6 Clear?

2.7 Flexible?

2.8 Legible and concise?

2.9 Provides brand examples and references (at least two acceptable brand examples are desirable)?
3. From both the Vendor and User standpoint, are the following answered (when appropriate) by the solicitation (specifications) document?

3.1 What item, material, equipment, or service is needed?

3.2 What quantity or level of effort is needed?

3.3. Is the proper unit of measure used?

3.4 Who is the end user?

3.5 What is the intended use? (What is to be accomplished?)

3.6 What are the conditions of use?

3.7 What specific maximum essential functions must be performed?

3.8 Are limitations (weight, size, strength, compatibility, etc.) prescribed?

3.9 What are the power and special environmental needs (electric voltage, wattage, air conditioning, water, drains)?

3.10 Are there special statutory or regulatory requirements?

3.11 What are the operator/maintenance manuals, or other documentation needs?

3.12 Are there special delivery needs?

3.12.1 Schedules shipments?

3.12.2 On-call shipments?

3.12.3 Just-in-time shipments?

3.12.4 Stockless inventory?

3.12.5 Inside delivery and/or assembly?

3.12.6 Multiple delivery locations?

3.13 What is the frequency of the service or task?

3.14 What are the installation needs?

3.15 What are the inspection, testing, and acceptance needs?

3.15.1 Samples (or statistical/sequential sampling)?

3.15.2 Plant inspections?

3.15.3 Laboratory tests?

3.15.4 Manufacturer’s certifications?

3.15.5 Bench marks?

3.15.6 Demonstrations?

3.16 What are the minimum needs for warranty?
3.16.1 Type?
3.16.2 Coverage?
3.16.3 Terms?
3.16.4 Service center location? On-site service?
3.17 What are the minimum need for on-call/on-site remedial and/or preventative maintenance service?
3.17.1 Response Time?
3.17.2 Principal Period of Maintenance?
3.17.3 Method of Billing?
3.18 What are the minimum needs for manufacturer support?
3.19 Have the following special needs been addressed?
3.19.1 Conversion of the present system?
3.19.2 Switch over from present system?
3.19.3 Trade-ins (as in where is)?
3.19.4 Performance, payment, and/or bid bonds?
3.19.5 Liquidated Damages?
3.19.6 Expediting (critical timing)?
3.19.7 Options, (additional items, extension of terms, etc.)?
3.19.8 Cancellation provisions?
3.19.9 Method of financing (payment schedule)?
3.19.10 Insurance requirements (liability, personal injury, workers’ compensation)?
3.19.11 Term of contract? Renewability? Aligned with Fiscal Year?
3.19.12 Safety?
3.19.13 Initial operating supplies to be included (filters, consumables, etc.)?
3.20 Is there a need for a pre-bid conference?
3.21 What is the methodology of the bid evaluation?
3.21.1 Best Price?
3.21.2 Installation Costs?
3.21.3 Life Cycle Costs?
3.21.4 Quality and Reliability of the goods or services?
3.21.5 Delivery Terms?
3.21.6 Indicators of probable vendor performance?
3.21.7 Cost of Employee training?
3.21.8 Effect on University productivity?
3.21.9 Other factors?
3.21.10 Lowest Price?
3.21.11 Demonstrated Performance? Does bid document performance values?
3.21.12 Approved Products List?
3.22 Are any **standard clauses** required?
3.23 Does the bid require reference to **standards** (UL, OSHA, ASME, ASTM, etc.)?
3.24 What **special terms and conditions** are required to **administer** the contract?
3.25 What are the risk factors if any?

4. In your opinion, will these “competitive” specifications, terms and conditions, and bid evaluation method, achieve the purchasing goals of:

- Buying the right quality?
- Buying the right quantity?
- Buying at the right time?
- Buying at the right price?
- Buying from the right supplier?
- Buying in the right manner?
1. Purpose

The purpose of this procedure is to provide basic guidance for evaluating vendor’s bids, quotes or proposals,

2. Scope

This procedure applies to all purchases.

3. Procedure

3.1 Evaluation of the Bids

3.1.1 Once the bids are received, they must be evaluated to determine which vendor will be given the order.

3.1.2 Unless otherwise specified, the award will be made to the low responsive responsible bidder providing the best value to the University. This means the bidder that has provided the lowest valid bid by the appointed time for products or services that meet or exceed the minimum specifications will be awarded any order resulting from that bid. When specified, the bid may be awarded based on best value. When best value awards are desired, the criteria must be defined in the bid document.

3.1.3 In determining what the best value to the University is, the University may consider:

1. the purchase price;
2. the reputation of the vendor and of the vendor’s goods or services;
3. the quality of the vendor’s goods or services;
4. the extent to which the goods or services meet the University’s needs;
5. the vendor’s past relationship with the University;
6. the 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 services from persons with disabilities;
7. the total long-term cost to the University of acquiring the vendor’s goods or services;
8. any other relevant factor that a private business entity would consider in selecting a vendor; and
9. the use of material in construction or repair to real property that is not proprietary to a single vendor unless the University provides written justification in the request for bids for use of the unique material specified.

3.2 Evaluation of Proposals

3.2.1 Formal Requests for Proposals may take into consideration factors other than price or the specification. Proposals may be evaluated on items such as delivery, quantity, warranties, services, compatibility, ergonomics, or factors that exceed the minimum requirements.

3.2.2 In order to evaluate Proposals, a point system must be developed for each factor to be evaluated so that a weighted score may be assigned to each Proposal. An award will be based on the vendor receiving the most favorable score.
PP-065 Purchasing Accountability and Risk Analysis Procedure
(previously P-065)
Approved January 26, 2018
Revised August 24, 2018
Next Schedule Review: January 26, 2023

1. Purpose

Each state agency by rule, shall establish a procedure to identify each contract that requires enhanced contract or performance monitoring and submit information on the contract to the agency’s governing body or, if the agency is not governed by a multimember governing body, the officer who governs the agency. The agency’s contract management office or procurement director shall immediately notify the agency’s governing body or governing official, as appropriate, of any serious issue or risk that is identified with respect to a contract monitored under this subsection. [Tex. Gov. Code Sec. 2261.253(c)]

(d) this section does not apply to a memorandum of understanding, interagency contract, interlocal agreement, or contract for which there is no cost. [Tex. Gov. Code Sec. 2261.253(d)]

2. Scope

This procedure applies to all employees who participate in any phase of the procurement process.

3. Procedure

3.1 Purchasing Accountability and Risk Analysis Procedure-Texas A&M University System

Texas Government Code 2261.256 states that each state agency shall develop and comply with a purchasing accountability and risk analysis procedure. The procedure must provide for the following three objectives:

Objective 1: Assess the risk of fraud, abuse, or waste in the contractor selection process, contract provisions, and payment and reimbursement rates and methods for the different types of goods and services for which The Texas A&M University System contracts.

a. Contractor selection process. The purchase of goods and/or services typically will be awarded to the lowest responsive bidder; however, best value criteria may also be considered as allowed pursuant to Texas Education Code, 51.9335.


c. Payment and reimbursement rates and methods for different types of goods and services. Payment should be consistent with the product or service delivered, and structured to fairly compensate the contractor and encourage timely performance. Payment should reflect the value of the work performed. Members can control the payment process by dividing overall payment into smaller amounts to reflect increments of work or deliverables. By doing so, you can mitigate financial risk and limit the scope of a dispute to a discrete deliverable. Section 14.D. of the TAMUS Contract Management Handbook lists example payment types used for different types of goods and services.

Objective 2: Identify contracts that require enhanced contract monitoring or the immediate attention of contract management staff.

a. Enhanced contract monitoring. The purpose of enhanced monitoring is to identify potential issues and risks in the contract and either mitigate or avoid the risk completely. System members shall take these issues into account when determining which contracts will require enhanced monitoring.

For contracts that have been identified as requiring enhanced monitoring, each member shall establish a procedure to notify their respective CFO and CEO as applicable. This notification may be done using the Contract Reporting Form (attached).
If appropriate or required, the A&M System CFO shall be notified and will work with the Chancellors Office and the Office of General Counsel to assure the Board of Regents is aware of all high risk contracts and any serious issues that arise during performance of the contract.

Below is a list of contracts that may require enhanced monitoring:

- Outsourcing agreements
- Construction contracts (multi-trades)
- Contracts over $1,000,000
- Agreements that require progress payments based on performance
- Agreements that extend beyond five years
- Agreements where a vendor is failing to meet their obligations

In addition to the list above each member may establish additional parameters or types of contracts that require enhanced monitoring.

Additional information on contract monitoring can be found in Section 10.D. of the TAMUS Contract Management Handbook.

b. Contract Management review. The TAMUS Contract Management Handbook, Section 10, outlines the responsibilities of the Contract Manager. This includes review of solicitation documents as well as review and approval of the terms and conditions of the proposed contract. These responsibilities apply to all contracts, including those that require enhanced monitoring.

Objective 3: Establish clear levels of purchasing accountability and staff responsibilities related to purchasing.

a. System Office Policy 25.07 – Contract Administration states that authority to enter into contracts on behalf of the system or any of its members must be by express written authority pursuant to the policies of the board and approved contract administration rules of the system. http://policies.tamus.edu/25-07.pdf

b. System Office Regulation 25.07.01 – Contract Administration, Delegations and Reporting specifies contract administration practices and review procedures, and contract delegation and reporting requirements authorized by System Policy 25.07, Contract Administration, and the process for administering, reporting, and delegating approval authority for all contracts entered into by a member. Each member must prepare A Delegation of Authority for Contract Administration in the format developed and distributed by the System Office of Budgets and Accounting in conjunction with the Office of General Counsel. http://policies.tamus.edu/25-07-01.pdf

c. System Office Regulation 25.07.03 – Acquisition of Goods and/or Services sets out the guidelines that allows for the procurement of goods and/or services according to sound business practices and best value. Each member shall promulgate standard operating procedures as necessary to facilitate and expedite the acquisition of goods and/or services. http://policies.tamus.edu/25-07-03.pdf
3.2 Purchasing Accountability and Risk Analysis Procedure-Texas A&M University-Kingsville

Objective 1: Each department will assess the risk of fraud, abuse, or waste in the contractor selection process, contract provisions, and payment and reimbursement rates and methods for the different types of goods and services for which Texas A&M University-Kingsville contracts.

Each department will assess the need for a Risk Assessment Exercise regarding commodity, services and IT projects. The best practice is to identify all the risks related to a particular procurement and including the impact of that procurement.

High predictable risks may have a low impact however low probability risks can have a significant impact and some form of action may be demanded “just in case”. The cost of controlling or avoiding the risk needs to be taken into account.

Objective 2: Each department will identify contracts that require enhanced contract monitoring or the immediate attention of contract management staff within the College/Department.

Risks mitigation should be allocated to an “owner” whom is responsible for managing them and may include other individuals as well. The allocation of the risk should be dependent on the assessment or likelihood and consequence of the risk. The “owner” should be the best individual whom is best to control or manage the risk.

Risk may change and increase or decrease over time. The risk may increase towards the end of an agreement or decrease depending on the item being purchased toward the end of its life cycle.

Summary:

College/Department may contact SSGS if any assistance is needed at any stage of risk identification, management, analysis, assessment or mitigation.

**CONTRACT REPORTING FORM**

The Contract Management Office or Executive Director of Strategic Sourcing & General Services shall prepare this report for contracts in excess of $1,000,000 for the purchase of goods or services and submit to the Chief Executive Officer. The report must be submitted to the System Chief Financial Officer and the Board of Regents when the contract value exceeds $5,000,000.

Contractor Name: __________________________
Contract Number: __________________________
Contract Value: ____________________________

Contract Description: ____________________________________________________________

**Contract Execution**

Contract Execution Date: __________________________

1. List the financial provisions of the contract.

2. What is the delivery schedule(s) contained within the contract?

3. Detail any potential risks/issues that may arise with this contract.

I verify that the solicitation and/or purchasing method and the contractor selection process comply with state law and System policy, rules and regulations.
<table>
<thead>
<tr>
<th>Contract Completion</th>
<th>Contract Completion Date: ________________</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Have the parties complied with the financial provisions of the contract?</td>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>2. Have the parties complied with the delivery schedules contained within the contract?</td>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>3. Were corrective action plans required under the contract? If so describe below.</td>
<td>Yes ☐ No ☐</td>
</tr>
<tr>
<td>4. What is the status of any required corrective action plan?</td>
<td></td>
</tr>
<tr>
<td>5. Detail any liquidated damages that will be/were assessed or collected under the contract.</td>
<td></td>
</tr>
</tbody>
</table>

I confirm the accuracy of the information reported on this form. Any information that has been provided by the contractor has been verified.

Project Manager/Department Head ____________________________ Date ____________

Executive Director of Strategic Sourcing & General Services ____________________________ Date ____________

This contract reporting form satisfies the requirements of Government Code 2261.253(c), 2261.254 and 2261.255.
1. Purpose

Each state agency by rule, shall establish a procedure to identify each contract that requires enhanced contract or performance monitoring and submit information on the contract to the agency’s governing body or, if the agency is not governed by a multimember governing body, the officer who governs the agency. The agency’s contract management office or procurement director shall immediately notify the agency’s governing body or governing official, as appropriate, of any serious issue or risk that is identified with respect to a contract monitored under this subsection. [Tex. Gov. Code Sec. 2261.253(c)]

2. Scope

This procedure applies to all employees who participate in any phase of the procurement process.

3. Procedure

This procedure applies to all contracts and will be initially processed by the User Department.

The following will be utilized to determine the risk level and based on the assessment report score will set the foundation for what necessary steps are needed based on the risk level.

**TEXAS A&M UNIVERSITY-KINGSVILLE – RISK ASSESSMENT MATRIX**

**Table 1. Evaluation Criteria**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Risk Level Low 1 Score 0-10</th>
<th>Moderate Risk Level 2 Score 11-20</th>
<th>Important Risk Level 3 Score 21-30</th>
<th>High Risk Level Extremely High 4 Score 31-40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cost</td>
<td>&lt;250,000k</td>
<td>&gt;= $250k but &lt;$1m</td>
<td>&gt;= $1m but &lt;$5 million</td>
<td>&gt;$5 million</td>
</tr>
<tr>
<td>Type of Contract Purchase (estimated plus option years)</td>
<td>Interagency, MOU or Interlocal</td>
<td>Contract less than 250k</td>
<td>Consulting, Emergency, Sole Source, Proprietary, or Construction &gt; $1m</td>
<td>Major information technology purchases and leases</td>
</tr>
<tr>
<td>Total Contract Duration (base year plus option years)</td>
<td>Less than 2 years</td>
<td>2 to 5 years</td>
<td>Greater than 5 years</td>
<td>Greater than 5 years</td>
</tr>
<tr>
<td><strong>User Involvement</strong></td>
<td><strong>No or 1 agency</strong></td>
<td><strong>Multiple Agencies</strong></td>
<td><strong>Statewide or outside groups</strong></td>
<td><strong>Statewide or outside groups</strong></td>
</tr>
<tr>
<td>----------------------</td>
<td>-------------------</td>
<td>----------------------</td>
<td>-------------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td><strong>Criticality of Deliverables</strong></td>
<td><strong>No urgency in deliverable timing or deliverable timing is important, but not critical</strong></td>
<td><strong>Deliverable timing is critical</strong></td>
<td><strong>Deliverable time is critical</strong></td>
<td><strong>Deliverable time is critical and must take priority over all projects</strong></td>
</tr>
<tr>
<td><strong>Contract Failure Impact</strong></td>
<td><strong>Low risk optional contract with no legal mandate or Failure will impact internal department operations only</strong></td>
<td><strong>Failure will impact internal and external users</strong></td>
<td><strong>Failure will impact internal and external users</strong></td>
<td><strong>Failure would have a statewide impact, violate state and or federal mandates or result in the loss of substantial funds</strong></td>
</tr>
<tr>
<td><strong>Locations Impacted</strong></td>
<td><strong>Contract will be implemented in or hosted from a single location</strong></td>
<td><strong>Contract will be implemented across multiple agency sites</strong></td>
<td><strong>Contract will be implemented statewide</strong></td>
<td><strong>Contract will be implemented statewide</strong></td>
</tr>
<tr>
<td><strong>Availability of Resources for Contract Management</strong></td>
<td><strong>Not applicable or Adequate staffing is readily available to manage and support the contract, including SME’s</strong></td>
<td><strong>Temporary staffing is needed to supplement end-user staff to manage and/or support the contract</strong></td>
<td><strong>Temporary staffing is needed to supplement end-user staff to manage and/or support the contract</strong></td>
<td><strong>Full time consultants or temporary staffing is needed to manage and/or support the contract</strong></td>
</tr>
<tr>
<td><strong>Complexity of Project</strong></td>
<td><strong>Simple commodity or service with clear specifications</strong></td>
<td><strong>Complex requirements involving internal expertise</strong></td>
<td><strong>Very complex requirements involving external technical experts/evaluators/legal review</strong></td>
<td><strong>Very complex requirements involving external technical experts/evaluators/legal review</strong></td>
</tr>
<tr>
<td><strong>Business Process Impact</strong></td>
<td><strong>No impact or Business processes from a single business unit within an agency will be impacted</strong></td>
<td><strong>Business processes from an entire agency will be impacted</strong></td>
<td><strong>Business processes from multiple agencies will be impacted</strong></td>
<td><strong>Business process change is statewide</strong></td>
</tr>
<tr>
<td><strong>End Users’ Training Needs</strong></td>
<td><strong>No training required or End-user only training required</strong></td>
<td><strong>System and end-users require training and support that be conducted by in-house trainers</strong></td>
<td><strong>System and end-users require training and support that be conducted by in-house trainers</strong></td>
<td><strong>System and end-users require training and support by the vendor or an outside trainer</strong></td>
</tr>
<tr>
<td><strong>Software Technology Customization</strong></td>
<td><strong>All requirements can be satisfied with mature or Commercial Off-The-Shelf (COTS) products</strong></td>
<td><strong>The requirements may be partially customized and partially COTS</strong></td>
<td><strong>Fully customized solution</strong></td>
<td><strong>Fully customized solution</strong></td>
</tr>
<tr>
<td><strong>Impact on Existing</strong></td>
<td><strong>Maintenance</strong></td>
<td><strong>Product is an enhancement to the</strong></td>
<td><strong>Product is a replacement of the</strong></td>
<td><strong>Product is new and impact other existing</strong></td>
</tr>
</tbody>
</table>
### Texas A&M University-Kingsville – Risk Assessment Matrix (Appendix)

#### Table 1A. Evaluation Table
(Use the criteria in Table 1 to determine the score for each factor and total up the scores.)

<table>
<thead>
<tr>
<th>Risk Assessment Exercise</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Requisition #:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Project Name:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Vendor Name:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Department Signature:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>SSGS Signature:</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Instructions:**
For all projects, rate project factors 1-10.

For Information Technology projects only, add project factors 11-13.

Enter the appropriate number for the project factor range that applies to the project.

<table>
<thead>
<tr>
<th>RANGE</th>
<th>FACTORS FOR COMMODITY, SERVICES AND IT PROJECTS</th>
<th>SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>Total Contract Price:</strong></td>
<td>What is the estimated price for the anticipated base period of the contract?</td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>&lt; $100,000</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Low Contract Price - Between $100,000 - $250,000</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Moderate Contract Price - Between $250 - $1 Million</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Important Contract Price - Between $1 Million and $5 Million</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>High Contract Price - &gt; $5 Million</td>
<td></td>
</tr>
</tbody>
</table>

Agency comment:

| 2. **Total Contract Duration:** | What is the anticipated overall potential contract period (base year plus option year)? |  |
| 0 | < One year |  |
| 1 | One to two years |  |
| 2 | Two to five years |  |
| 4 | Greater than five years |  |

Agency comment:
3. **User Involvement**: How many end users do you anticipate for this contract:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>No agencies</td>
</tr>
<tr>
<td>1</td>
<td>One agency</td>
</tr>
<tr>
<td>2</td>
<td>Multiple agencies</td>
</tr>
<tr>
<td>4</td>
<td>Statewide or outside groups</td>
</tr>
</tbody>
</table>

Agency comment:

---

4. **Criticality of Deliverables**: Which delivery requirements best describe your project?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>No urgency in deliverable timing</td>
</tr>
<tr>
<td>1</td>
<td>Deliverable timing is important, but not critical</td>
</tr>
<tr>
<td>3</td>
<td>Deliverable timing is critical</td>
</tr>
<tr>
<td>4</td>
<td>Deliverable timing is critical and must take priority over all other projects.</td>
</tr>
</tbody>
</table>

Agency comment:

---

5. **Contract Failure Impact**: Which of the following best describes the users impacted by a contract failure?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Low risk optional use contract with no legal mandate</td>
</tr>
<tr>
<td>1</td>
<td>Failure will impact internal department operations only</td>
</tr>
<tr>
<td>3</td>
<td>Failure will impact internal and external users</td>
</tr>
<tr>
<td>4</td>
<td>Failure would have a statewide impact, violate state and or federal mandates or result in the loss of substantial funds</td>
</tr>
</tbody>
</table>

Agency comment:

---

6. **Locations Impacted**: Which of the following best describes the locations affected by this contract?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Contract will be implemented in or hosted from a single location</td>
</tr>
<tr>
<td>2</td>
<td>Contract will be implemented across multiple agency sites</td>
</tr>
<tr>
<td>4</td>
<td>Contract will be implemented statewide</td>
</tr>
</tbody>
</table>

Agency comment:

---

7. **Availability of Resources for Contract Management**: Which of the following best describe the resource requirements of this project?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Not applicable</td>
</tr>
<tr>
<td>1</td>
<td>Adequate staffing is readily available to manage and support the contract, including SME's</td>
</tr>
<tr>
<td>3</td>
<td>Temporary staffing is needed to supplement end-user staff to manage and/or support the contract</td>
</tr>
<tr>
<td>4</td>
<td>Full-time consultants or temporary staffing is needed to manage and/or support the contract</td>
</tr>
</tbody>
</table>

Agency comment:
8. **Complexity of Project:** Which best describes the project’s complexity?

<table>
<thead>
<tr>
<th>Score</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Simple commodity or service with clear specifications</td>
</tr>
<tr>
<td>2</td>
<td>Complex requirements involving <em>internal</em> expertise</td>
</tr>
<tr>
<td>4</td>
<td>Very complex requirements involving <em>external</em> technical experts/evaluators/legal review</td>
</tr>
</tbody>
</table>

Agency comment:

9. **Business Process Impact:** Level of impact to end user’s business process?

<table>
<thead>
<tr>
<th>Score</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Not applicable</td>
</tr>
<tr>
<td>1</td>
<td>Business processes from a single business unit within an agency will be impacted</td>
</tr>
<tr>
<td>2</td>
<td>Business processes from an entire agency will be impacted</td>
</tr>
<tr>
<td>3</td>
<td>Business processes from multiple agencies will be impacted</td>
</tr>
<tr>
<td>4</td>
<td>Business process change is statewide</td>
</tr>
</tbody>
</table>

Agency comment:

10. **End Users’ Training Needs:** Indicate the appropriate training requirements for this project?

<table>
<thead>
<tr>
<th>Score</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>No training required</td>
</tr>
<tr>
<td>1</td>
<td>End-user only training required</td>
</tr>
<tr>
<td>3</td>
<td>Systems and end-users require training and support that be conducted by in-house trainers</td>
</tr>
<tr>
<td>4</td>
<td>Systems and end-users require training and support by the vendor or an outside trainer</td>
</tr>
</tbody>
</table>

Agency comment:

**RISK ASSESSMENT SCORE FOR FACTORS 1-10**

**RANGE COMPLETE FACTORS 11-13 FOR INFORMATION TECHNOLOGY PROJECTS ONLY**

11. **Software Technology Customization:** What level of customization is required for this solution?

<table>
<thead>
<tr>
<th>Score</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>All requirements can be satisfied with mature or Commercial Off-The-Shelf (COTS) products</td>
</tr>
<tr>
<td>2</td>
<td>The requirement may be partially customized and partially COTS</td>
</tr>
<tr>
<td>4</td>
<td>Fully customized solution</td>
</tr>
</tbody>
</table>

Agency comment:

12. **Impact on Existing Application or Infrastructure:** Which of the following best describes the impact on existing infrastructure for this project?

<table>
<thead>
<tr>
<th>Score</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Maintenance</td>
</tr>
<tr>
<td>2</td>
<td>Product is an <em>enhancement</em> to the existing application or infrastructure</td>
</tr>
<tr>
<td>3</td>
<td>Product is a <em>replacement</em> of the existing application or infrastructure</td>
</tr>
<tr>
<td></td>
<td>Product is <strong>new</strong> and impact other existing applications or infrastructure</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>4</td>
<td>Agency comment:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>13. <strong>Interface Connectivity</strong>: Which of the following best describes the interface connectivity of the proposed system?</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Not applicable or existing without new interfaces</td>
</tr>
<tr>
<td>2</td>
<td>The new system will interface with 1-4 existing applications</td>
</tr>
<tr>
<td>4</td>
<td>The new system will interface with 5 or more applications</td>
</tr>
<tr>
<td></td>
<td>Agency comment:</td>
</tr>
</tbody>
</table>

**IT RISK ASSESSMENT SCORE FOR FACTORS 11-13**

**TOTAL RISK ASSESSMENT SCORE**

**Risk Assessment Report Score: Commodities and Services**

<table>
<thead>
<tr>
<th>Score</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-10</td>
<td>Low Risk</td>
</tr>
<tr>
<td>11-20</td>
<td>Moderate Risk</td>
</tr>
<tr>
<td>21-30</td>
<td>Important Risk</td>
</tr>
<tr>
<td>31-40</td>
<td>High Risk</td>
</tr>
</tbody>
</table>

**Risk Assessment Report Score: Information Technology**

<table>
<thead>
<tr>
<th>Score</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-13</td>
<td>Low Risk</td>
</tr>
<tr>
<td>14-26</td>
<td>Moderate Risk</td>
</tr>
<tr>
<td>27-39</td>
<td>Important Risk</td>
</tr>
<tr>
<td>40-52</td>
<td>High Risk</td>
</tr>
</tbody>
</table>

**Table 2. Risk Assessment Matrix** (Use the scores provided in Table 1A to determine the level of risk.)

**Risk Assessment Report Score: Commodities and Services**

<table>
<thead>
<tr>
<th>Risk Level</th>
<th>Point Range</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Risk</td>
<td>E</td>
<td>31-40</td>
</tr>
<tr>
<td>Important Risk</td>
<td>H</td>
<td>21-30</td>
</tr>
</tbody>
</table>
Commodities and Services contain some level of risk that may occur. The program should consider if a contract management plan is required. If contract management plan is not required, the Vendor will identify and document with an explanation of how risks will be managed. This information will be maintained with the Vendor documentation.

Commodities and Services contain minimal risks and are unlikely to occur. Programs can proceed with contracting as planned.

**Risk Assessment Report Score: Information Technology**

<table>
<thead>
<tr>
<th>Risk Level</th>
<th>Point Range</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Risk</td>
<td>E</td>
<td>40-52 Information Technology Projects include unexpected levels of risk, including critical issues that are likely to occur if the contract is not properly managed. Programs must consider possible contract risks, document and include them in the contract management plan and determine how risk will be monitored.</td>
</tr>
<tr>
<td>Important Risk</td>
<td>H</td>
<td>27-39 Information Technology Projects contain potentially serious risks that may occur. The contract management plan must include language that ensures proactive strategies to reduce risk and the method of monitoring the risk.</td>
</tr>
<tr>
<td>Moderate Risk</td>
<td>M</td>
<td>14-26 Information Technology Projects contain some level of risk that may occur. The program should consider if a contract management plan is required. If contract management plan is not required, the Vendor will identify and document with an explanation of how risks will be managed. This information will be maintained with the VENDOR documentation.</td>
</tr>
<tr>
<td>Low Risk</td>
<td>L</td>
<td>0-13 Information Technology Projects contain minimal risks and are unlikely to occur. Programs can proceed with contracting as planned.</td>
</tr>
</tbody>
</table>
1. Purpose

To define procedures to be used by Buyers when requesting quotations.

2. Scope

This procedure applies to all purchases when bids or quotations are required.

3. Procedure

3.1 Price quotes will be administered by Strategic Sourcing & General Services based on information submitted by the requisitioner.

3.2 Competitive bidding is employed to ensure responsive, reasonable and firm proposals. Generally three or more qualified suppliers will be solicited. Exceptions are made only in unique situations where such a bidding process would result in no apparent benefit to the University.

3.3 This procedure outlines the process of securing verbal or written quotations prior to the selection of a source.

A. In accordance with University purchasing policy, requests for quotation will not be solicited from prospective suppliers unless it is intended that an order shall be placed with the vendor if that vendor is responsive and responsible.

   1. To the extent possible, investigations or informal surveys will be made prior to solicitations of quotations to determine if prospective suppliers have required resources and satisfactory performance experience.

   2. Quotations are solicited only after a decision is made to procure items or, in special cases, when solicitation of quotations is authorized prior to decision if such action best serves the interests of the University (i.e., special project).

   3. The solicitation of quotations in connection with new business ventures or in any other circumstance where a firm requirement does not exist, the Buyer shall make clear to prospective suppliers the intent of the request.

B. Supplier quotations must be in response to a request from Strategic Sourcing & General Services; unsolicited bids will not be considered.

C. Where a supplier is given the opportunity to re-bid, all competing suppliers must also be given an equitable opportunity to re-bid. Those conditions in which it is in the University’s best interest to allow re-bidding include, but are not limited to, changes in requirements or changes in the state of the art.

D. It is imperative that the supplier knows that:

   1. Pre-contract discussions and agreements are preliminary;

   2. Any agreements reached are tentative;

   3. The University assumes no contract obligations to the supplier until a formal purchase order or letter agreement is executed, or authorization to proceed is given by the Buyer;
4. The University is not under any obligation to procure the items for which the negotiations are conducted, and any cost incurred by the supplier prior to the placing of the order is at the supplier’s expense unless otherwise agreed to in advance by the Buyer and the supplier.

3.4 The Request for Quotation (Bid, Offer, Proposal) form will be used wherever possible. Utilization of this method will provide vital necessary documentation and efficient communication pertinent to competitive transactions.

3.5 The quote number will be cross-referenced to the final purchase order number. All communications or correspondence relative to each project must reference the quotation number.

3.6 The Strategic Sourcing & General Services’ copy of the quote request will be filled with the purchase order.

---

4. Informal Bids

4.1 Informal Bids may be taken when the value of the purchase is between $5,001.00 and $25,000.00. Formal and Informal Bids cannot be mixed on one procurement. Generally, Informal Bids are verbal or written quotations and are used to expedite the delivery of goods and services.

4.2 The purchaser will contact at least three (3) bidders; minimum of two (2) certified HUBs.

4.3 The purchaser will document the name of the person contacted, the company name, and the bid amount. This documentation will be made a part of the file. A formal bid summary is not required.

---

5. Formal Bids

5.1 Formal Bids are used when strong documentation is required, when the specifications are better communicated in writing, or when a high degree of confidentiality is needed and when time permits. Formal bids will be prepared using the University standard bid form and shall be accompanied by the University General Terms and Conditions. Formal bids are required on purchases greater than $25,000.00.

5.2 All Formal Bids will be prepared by Strategic Sourcing & General Services for the Open Market.

5.3 Formal Bids will be publicly opened at the time and place indicated on the Invitation for Bid. The following persons may officiate at the opening: Vice President for Finance & CFO, Executive Director of Strategic Sourcing & General Services, Assistant Director of Procurement and Director of HUB Program, Purchaser, or Buyer. A witness, usually one of the purchasing office staff members, will witness the bid opening. The witness will record the bids as opened and prepare a written bid summary. The bid summary will serve as the official bid log of responses.
1. Purpose

The purpose of this procedure is to establish guidelines for purchases with Higher Education Funds (HEF). Specifically, this procedure will define how and when HEF may be used for Non-Construction/Renovation Purchases.

2. Scope

This procedure will apply to all purchases with HEF.

3. Procedure

3.1 Article VII, Section 17(a) of the Texas Constitution reads that HEF funds are appropriated for the following and may be used for the purchase of:

- Acquisition of land, either with or without permanent improvements.
- Construction and equipment of buildings and or other improvements.
- Major repair or rehabilitation of buildings or other permanent improvements.
- Acquisition of capital equipment, library books, and library materials.

HEF Funds are to be used only for Educational and General (E&G) purposes. HEF may be used for paying for acquiring, constructing, or equipping for major repair or rehabilitation of buildings, facilities, other permanent improvement, or capital equipment used jointly for educational and general activities and for auxiliary enterprises to the extent of their used for educational and general activities. Thus HEF may not be used for (unless used jointly with E&G activities):

- Student Housing
- Intercollegiate Athletics
- Auxiliary Enterprises

3.1.1 This procedure will not address the first three items. The last item refers to “capital equipment” and requires clarification. Generally, “capital equipment” means permanent equipment with a value above the “capitalized” threshold that is placed on an itemized inventory.

3.1.2 However, the guidelines for HEF expenditures published by the State Comptroller define “capital equipment” as:

“Fixed or moveable tangible assets to be used for operations, the benefits of which extend over more than one fiscal year”.

Therefore, the University has adopted the following guidelines for purchasing equipment with HEF:

**Institutional Furnishings:**

Furniture may be purchased without regard to the unit price in connection with furnishing a building under renovation or construction.

Major furniture pieces may be purchased without regard to the unit price in connecting with remodeling an office.
Separate furniture pieces may be purchased at any time when the unit price is greater than $500.00.

**Laboratory Equipment and Classroom Teaching Aids:**

Laboratory Equipment and Classroom Teaching Aids may be purchased without regard to unit price in connection with a major upgrade or renovation of a lab or classroom or during the first two years of program development.

Laboratory Equipment and Classroom Teaching Aids may be purchased any time if the unit price is greater than $500.00.

**Shop, Industrial, and Building Equipment:**

Shop, Industrial and Building Equipment may be purchased without regard to unit price in connection with major upgrade or renovation or during the first two years of program development.

Shop, Industrial and Building Equipment may be purchased any time if the unit price is greater than $500.00.

**Computer Equipment and Software:**

Computer Equipment may be purchased at any time if the unit price is greater than $500.00. (Computer Equipment does not include add on devices such as computer cards or replacement parts.)

Software, Printers, and Peripherals may be purchased without regard to the unit price if purchased in connection with a computer. Software with a use license less than 2 years may not be purchased with HEF.

**Telecommunications Equipment:**

Telecommunications Equipment may be purchased if the unit price is greater than $500.00.

In all cases, the term “equipment” excludes repair or replacement components or parts.

**HEF may not be used to purchase items or services requiring prepayment.**

Strategic Sourcing & General Services may address questions regarding the appropriate use of HEF.

**HEF may not be utilized for operating expenses or to purchase consumable supplies.**
1. **Purpose**

To define procurements that require pre-approval before processing the procurement request utilizing anyone of TAMUK’s procurement methods.

2. **Scope**

This procedure shall apply University wide.

3. **Procedure**

3.1 Many procurements are subject to special regulations, are complex in nature so that they affect other areas of operations, or present a potential hazard to public health. These procurements must not be made until they have been reviewed and approved by the designated authorities.

4. **Items Requiring Pre-Approval**

4.1 The following items must be pre-approved as indicated.

1. **Fume Hood, Flow Hood, Biological Safety Cabinets, Exhaust Systems**

   All equipment that may have an effect on the safety, health or well-being of employees, students or public must be approved by the Enterprise Risk Management Department. Strategic Sourcing & General Services will submit copy of requisition to Enterprise Risk Management for approval. Purchases will not be made without Enterprise Risk Management’s approval. Copy of order will be sent to Enterprise Risk Management to assure completion of certification process.

2. **Equipment/Supplies Requiring Installation/Modification of Facility**

   All equipment that requires installation/modification of existing facilities are submitted to the Director of Facilities Planning and Construction by Strategic Sourcing & General Services of any additional requirements that will be needed. These are incorporated into the bid documents. If a Physical Plant Work Request to modify the facility is needed or if the work must be processed through the Construction Coordinating Committee, the using department and Strategic Sourcing & General Services will be notified.

   These type purchases includes items that consume utilities (electricity, water, gas, sewage, etc.), items that require special environment, items that may pose a safety or health risk to the public, and items that are oversize or overweight.

3. **Modification, Construction and Renovation**

   Modification, construction and renovation of existing building and grounds must be approved by the Director of Facilities Planning and Construction. No requisitions for these types of services will be processed by Strategic Sourcing & General Services without written approval of the University Engineer. Contact the Director of Facilities Planning and Construction to obtain forms to make a request for this type of work.

4. **Hand Held Radios, Security Radios**
All requests for radios and security radios must be submitted to the University Engineer, and University Police for review. Due to security and the limited frequencies available and the necessity to identify program frequencies for each radio, the University Engineer reviews all radio purchases.

5. Radioactive Materials

Requisitions must be forwarded to the University Radiation Officer for approval before they can be processed by the Strategic Sourcing & General Services Department. All requisitions for radioactive material must be denoted by typing the words “RADIOACTIVE MATERIAL” immediately below the description of the item on the purchase requisition. The “ship to” address must reflect shipment to the Enterprise Risk Management, department name and contact. Contact the Enterprise Risk Management Office for a listing of Texas DSHS authorized material or for a copy of the Radioactive Material License.
1. Purpose

To establish change order procedures.

2. Scope

This procedure applies to all change orders.

3. Procedure

3.1 Change orders concerning quantity or price on orders must be reflected in the P.O. file by the authorizing buyer. When possible, notes should be posted to the JavelinaBuy Purchase Order. All change orders and all changes regarding specifications regardless of value shall be written.

3.2 For written changes orders, the following procedures should be followed:

1. Update/edit the original purchase as needed. Communication with the department as needed will be conducted.
2. A written confirmation shall be sent to the vendor using the formal purchase order form.
1. Purpose

To define the requirements of Sole Source Purchases.

2. Scope

This procedure will apply University wide.

3. General

3.1 It is the policy of the University to make purchases under a competitive environment whenever possible. Purchases of equipment, supplies, or services available only from one vendor or under one brand name are considered Non Competitive or Sole Source. All purchases above the “no bid limit” from a Sole Source must be justified.

4. Procedure

4.1 All purchase requisitions must be accompanied by a memo of a justification if the specifications restrict the purchase of goods or services to only one source. The justification must answer the following two questions:

   1. What is the unique feature and why is this feature needed for our application?

   2. Why will competing products not be satisfactory?

4.2 The first question should be answered in functional terms. Indicate why the dimensions, features, or performance characteristics are essential.

The answer to the second question should indicate specifically the particular requirement of the specification where other known products or services do not comply.

4.3 Delays in handling can be avoided if these justifications are sent with the requisition. For more information, contact Strategic Sourcing & General Services.

Use the following form for submitting the Sole Source Justification.
Justification for Sole Source Purchase
QUESTIONNAIRE

1) This item is required for use in:

research_____ classroom_____ lab_____ other_____.

2) What features are proprietary to this item? How are these dimensions, features or performance characteristics essential to the accomplishment of your work?

3) List any company other than your suggested source who manufactures a similar item or manufactures an item with similar functions.

4) Why won’t these competing products be satisfactory?

5) Will the item be used with existing equipment? __Yes __No

If yes, as a repair/replacement part? __Yes __No

as a component to be interfaced with the exiting equipment? __Yes __No

Give Brand and Model number of existing equipment:_____________________

as an accessory or option? __Yes __No

to match existing equipment? __Yes __No

for reasons of interchangeability? __Yes __No

Will installation be required? __Yes __No

6) Give any additional information you feel may aid the buyer in processing this requisition.

Department Name: _____________________ Account Name: _____________________

Account Number: _____________________

Requestors Name, Signature, and Phone No. _____________________

Department Head Signature and Date: _____________________

Executive Director, Strategic Sourcing & General Services _____________________
1. Purpose

To establish the structure and content of contracts.

2. Scope

Applies to all contract procurements.

3. Procedure

3.1 The following list is a guide developed by TAMUS Office of General Counsel to assist evaluating the basic legal framework of a contract. All contracts must comply with TAMUS Policy 25.07 and Regulation 25.07.01. The Contract Management Handbook practices and review procedures are to be included in the contract administration, delegation and reporting as referred to in TAMUS Regulation 25.07.01.

1. Description of goods/services to be received by component? Clear and understandable description of the subject of the contract. Limit use of highly technical terms when possible. Performance must be measureable.

2. Contractor’s name, address, phone, fax? Verify current information.

3. Contact person(s) for contractor, name, address, phone, fax, email address? Verify current information, especially if anything differs from (2).

4. Date contract is to begin. This may or may not be the date the contract is signed.

5. Date contract ends. This refers to the date the contract would normally ends unless terminated earlier for any reason.

6. Other important dates (deadlines, mileposts, reports due, etc.) Dates should be clearly identified. Use full dates (ex: “June 3, 2004”) whenever possible. NOTE: in many foreign countries dates expressed in numerals use the Day/Month/Year format (e.g., June 3, 2004 would be written as 3/6/04 rather than 6/3/04).

7. Procedure for renewal clearly identified and understood.

8. Procedure for termination clearly identified and understood. Termination for cause and termination at will should be identified.

9. Verify highest level of approval within TAMUS needed for contract. Use current Delegation of Authority to identify highest level.

10. All exhibits, attachments, appendices, schedules, etc. attached. OGC normally will not approve an agreement until all of these documents have been provided for review.

11. Title and authority of person signing for contractor. Should be an officer or authorized agent of contractor.

12. If contract can be terminated at will (for no cause or without cause), verify that this is what component wants in the contract. This may cause problems for component and should be clearly understood prior to signature.

13. Clear description amounts of money or other consideration for contract. Partial payments should be stated with due dates; amount tied to other amounts (e.g., royalties, percentages) should be stated in clear terms.
4. Procedure

4.1 To the extent possible, all procurements of materials and services are to be obtained using the formal purchase order (see Procedure-220) or the blanket purchase order (see Procedure PP-080).

4.2 The contract types listed below with their major subject content are to be used as appropriate and are to be issued under a formal purchase order. Any terms and conditions not covered by the formal purchase order are to be included in the contract.

4.3 All contracts must adhere to the Texas A&M University System Policies and Regulations.

A. Construction

- The Statement of Intent – Specifications
- Drawings and Schedule
- Buyer to Provide
- Insurance
- Terms
- Warranty
- Responsibility
- Permits
- Licenses
- Inspections
• Subcontractors
• Performance Bonds

B. Lease Agreement for Property

• Lessee and Lessor Identification
• Description of Property
• Location of Property
• Lease Payment
• Terms
• Lease or Warranty

C. Lease Agreement for Equipment

• Description of Equipment
• Terms of Lease Payments
• Purchase or Option Renewal
• Delivery, Maintenance and other Special Charges
• Conditions or Restrictions on Use

D. On-Call Service

• Identification and Location of Equipment to be Serviced
• Period of Service
• Movement of Modification of Equipment
• Responsibility of Supplier
• Service Charges
• Notice and Response to Notice

E. Professional Services

• Party’s Identification
• Services to be Rendered
• Inventions
• Proprietary Information
• Consultant’s Representation
• Period of Agreement

F. Real Estate

• Notice of Pending Forfeiture for Cancellation of Contract
• Declarations of Forfeiture and Cancelation of Contract
• Warranty Fulfillment Deed
• Quit Claim Deed
• Purchaser’s Assignment of Contract and Deed
• Deed and Seller’s Assignment of Real Estate Contract
• Exclusive Sale and Listing Agreement
• Earnest Money Provisions
• Escrow Instructions for Seller
• Escrow Instructions for Buyer

G. Subcontract

• Scope of Work
• Period of Performance
• Estimated Cost and Expenditure Limitation
5. Checklist for the Preparation of Contracts

A. The Necessity for a Contract and its Completeness

We should ask the following questions regarding contracts before making final commitments.

1. Is it necessary to have a contract?
   
   a.) Does it lower our cost?
   b.) Does it reduce our inventory?
   c.) Does it assure us of delivery in case of shortages?
   d.) Is it with the manufacturer or the distributor?
   e.) What are the disadvantages of not having a contract?

2. Have negotiations been completed?

3. Are the essential elements of the contract settled?

4. Is there a chance of vagueness or ambiguity in terms or language of the contract?

5. Are the contracting parties, their agents or representatives competent and authorized to bind the company?

B. Description of Goods and Services

1. Is the material, equipment or service clearly described in writing in the:
   
   a.) Blueprints
   b.) Specifications
   c.) Purchase order
   d.) Other written memorandum

2. Are the specifications complete?

3. Is the quantity clearly defined?

4. Are there any limitations on quantity per period of time?

5. Will the supplier furnish drawing? If so, are such drawings subjects to buyer’s approval?

6. Will the supplier install equipment? If so, is the charge satisfactory?

7. What services will the supplier furnish, such as training in usage and maintenance of equipment, instruction manuals, part manuals, etc.?

C. Price and Payment Terms

1. What is the initial purchase price?

2. Is the price definite? If not, is the method for ascertaining the price clear?
3. Is the price subject to adjustment?
   a.) Does price adjustment work both ways?
   b.) Is adjustment limited to change in price?
   c.) Is the date of price basis stated?
   d.) What is the length of time for advance notification of price adjustment?
   e.) Is there an escape clause on price increases?
   f.) Is there an escape clause when a supplier’s competitor quotes lower prices and the present supplier is unable to meet them?

4. Is the payment schedule satisfactory?

5. Is payment tied to performance factors/milestones?

6. Are the cash terms satisfactory?

7. Does the contract lend itself to price/cost analysis?

D. Packaging, Delivery and Insurance Factors

1. Is the delivery schedule satisfactory?

2. Are the “times for delivery” terms definite? (Does “reasonable time,” in particular circumstances, have a certain meaning according to prior dealing or practices between the Buyer and Seller?)

3. Is the mode of delivery satisfactory?

4. Is the packaging satisfactory?

5. Who bears the risk of loss if it occurs before delivery to the Buyer?

E. Time and Termination Factors

1. What period of times does the contract cover? (One, two, three years?)

2. Are the provisions for termination by either party clearly stated and satisfactory?

3. Are there clauses pertaining to thirty-, sixty-, ninety-day advance notice, prior to termination date, that the contract will not be renewed? (If not, are we subjected to automatic renewal for a specified period, or time? If so, these should be avoided.)

F. Performance guarantees and Warranties of Quality

1. Would it be advisable to insert a liquidated damages clause?

2. Would it be advisable to ask for a performance bond? (Some service contracts are required to have performance bonds greater than $100,000).

3. Would it be advisable to get a Dun and Bradstreet report on the supplier?

4. Is the Buyer protected against negligence of the supplier’s employees?

5. Is the supplier’s insurance protection adequate? (Will he furnish a Certificate of Insurance?)

6. Is a “Force Majerue” clause satisfactory?

7. Does the supplier guarantee performance?
8. Does the supplier guarantee quality?

9. Does the supplier guarantee the equipment for at least one year from start-up date against defects of design, materials, workmanship, etc.?

10. Are inspection, test and engineering requirements fully understood by both parties?

11. Is there an express written warranty by the Seller that the goods will conform to the description, promise, model or sample?

12. Are there any provisions for cancellations or cure if the goods do not meet the specification?

13. Does the written contract provide for a percentage of rejection, or for tolerances or variances?

G. Legal Requirements

1. Does the contract meet all legal requirements?
   a.) Federal, state or local laws.
   b.) System Policies
   c.) Ethical and/or business standards of practice
   d.) ICC regulations
   e.) FTC regulations

2. Does the patent protection appear adequate?
1. Purpose

This procedure provides a sample of a standard contract that can be used for a variety of agreements.

2. Scope

This procedure applies University wide.

3. Procedure

The contract templates has been reviewed by System Office of General Counsel and can be used for many contracting applications. The contract may be supplemented with other documents that define the Scope or Statement of Work, the consideration and payments, and the general and special terms and conditions.

All contract templates require System General Office review every three years in accordance with System Policy 25.07, System Regulation 25.07.01 and the System Contract Review Checklist.
1. Purpose

This procedure provides a sample of a standard contract addendum that can be attached to a wide variety of Vendor agreement forms.

2. Scope

This procedure applies University wide.

3. Procedure

3.1 The addendum has been reviewed by System Office of General Counsel and can be used for many contracting applications. The formal documents may only be signed by those authorized in the Tables of Authorization for Contracts.

3.2 To use this addendum, follow these steps:

1. Receive and review the vendor’s contract form.
2. Create a P.O. to document the agreement.
3. Fill in the blanks on the Addendum.
4. Secure the Vendor’s signature on the Addendum.
5. Sign the Vendor’s contract form with the annotation, “as per addendum”.
6. Copy to vendor and file originals of both documents.
1. Purpose

The purpose of this procedure is to provide guidance to employees engaged in any aspect of the procurement function reporting as per the Texas A&M University System Contract Management Handbook, SB 20, Texas Government Code and the General Appropriations Act.

2. Scope

This procedure applies to all employees who participate in any phase of the procurement process.

3. Procedure

Postings of Contracts

To determine if a purchase order or fully executed contract is required to be posted on the SSGS Website or the Legislative Budget Board Website, following the below criteria:

SB 20

Established per SB 20, Section 18 Subchapter F. Sec 2261.253 Required posting of Certain Contracts;

SB 20 (Government Code 2261.253) requires state agencies, and institutions of higher education, to report contracts for the purchase of goods or services from a private vendor, regardless of funding source. To fully meet this requirement the following agreements, not already reported to the LBB, should be posted on the agencies Internet Website.

Note: Per Government Code 2261.253(d) posting requirements do not apply to a memorandum of understanding, interagency contract, interlocal agreement, or a contract which there is not a cost.

Required Posting

Posting Requirements for Contracts Using Appropriated Funds

Internet posting of contracts required for each contract for the purchase of good or services, with a private vendor, regardless of value.

- must be listed on an institution of higher education’s web site
- post includes
  - copy of the contract (may be redacted as allowed by 2261.253(e) and the request for proposal related to a competitively bid contract OR
  - the statutory or other authority under which a contract is not competitively bid
- Does not apply to:
  - Memorandum of Understanding
  - Interagency Contract
  - Interlocal Agreement
  - Contract with No Cost
Posting Requirement for Contracts Using Institutional Funds

Internet posting of contracts required for each contract for the purchase of good or services, with a private vendor, over $15,000, without competitive bidding:

- must be listed on an institution of higher education’s web site
- post includes
  - copy of the contract (may be redacted as allowed by 2261.253(e) and the request for proposal related to a competitively bid contract OR
  - the statutory authority under which a contract is not competitively bid
- Does not apply to:
  - Memorandum of Understanding
  - Interagency Contract
  - Interlocal Agreement
  - Contract with No Cost

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  - Memorandum of Understanding
  - Interagency Contract
  - Interlocal Agreement
  - Contract with No Cost

**Texas Government Code**

**Major information service** contracts exceeding $1 million must be reported, regardless of funding source.

- Report 10 days after award
- Per Section 2054.008 Government Code

**Construction projects** over $14,000 must be reported, regardless of funding source.

- Report 10 days after award
- Per Section 2166.2551 Government Code

**Professional service contracts** over $14,000 must be reported, regardless of funding source.

- Report 10 days after award
- Per Section 2254.006 Government Code

Institutions of higher education are exempt from providing to the Legislative Budget Board copies of major contracts and solicitation.
**General Appropriations Act**

All contracts in excess of $50,000, regardless of funding source, must be reported.

- Includes major information systems
- Report 30 days after award
- Per GAA Article IX, Sec 7.04

All Non-Competitive Contracts exceeding $1,000,000, regardless of funding source, must be reported.

- Report 10 days before 1st payment but no later than 30 days after award
- Per GAA Article IX, Sec 7.12

**Large Contracts exceeding $10,000,000** regardless of funding source, must be reported.

- Report 10 days before 1st payment but no later than 30 days after award
- Per GAA Article IX, Sec 7.12
- Notification to LBB should include:
  - Copy of all contract documents
  - Copy of solicitation
  - Completed/Signed Attestation Form

All Emergency Contracts exceeding $1,000,000 must be reported.

- Report 48 hours before 1st payment
- Per GAA Article IX, Sec 7.12

For additional information, visit the LBB web-site at: [http://contracts.lbb.state.tx.us/DataEntry/LogOn.aspx](http://contracts.lbb.state.tx.us/DataEntry/LogOn.aspx).
1. Purpose

To define, establish criteria for use, and provide instructions for using Limited purchase orders.

2. Scope

This procedure applies University wide.

3. Procedures

3.1 A Non-PO Based Invoices may be created for commodities within the departmental delegated authority amount. The creation of a Non-PO Based Invoice commits University funds for the procurement of goods and certain services necessary for University operations. There are several basic differences in the use of Non-PO Based Invoices, however.

1. Non-PO Based Invoices are primarily intended as a means of expediting the acquisition of goods and services to departments where the more normal purchasing procedures might result in significant operational delays. They are to be used only when the department requires their use and not as a means of circumventing standard purchasing procedures.

2. Non-PO Based Invoices are created through the JavelinaBuy E-Procurement System. Only persons trained and authorized to use the JavelinaBuy E-Procurement System screens may create Non-PO Based Invoices. The Non-PO Based Invoice number is the number by which the transaction can be identified.

3. It is the responsibility of the individual whom enters the Non-PO Based Invoice to ensure that they are properly used and that they are used only for legitimate University acquisitions. It is also his/her responsibility to ensure that the use of any Non-PO Based Invoice number is properly recorded and that the invoices will be properly processed.

4. Restrictions

4.1 The Non-PO Based Invoice may not be used to order items that are available through State Term Contracts or the Storeroom. Non-PO Based Invoices may not be used to order Capitalized Equipment (equipment costing more than $5,000) or for services performed on the campus. HEAF funds may not be used on Non-PO Based Invoices.

5. Documentation

5.1 Each Non-PO Based Invoice will be supported by the JavelinaBuy E-Procurement System, where order forms, invoices and related support documentation will be kept.

6. Completing the Non-PO Based Invoice

6.1 The Non-PO Based Invoice is to be completed as follows.

1. Within JavelinaBuy select the Accounts Payable tab and click on “Create New Invoice, Credit Memo or Receipt” and enter your “Supplier Name” and then click create. Only persons authorized and trained in JavelinaBuy may create a Non-PO Based
Invoice. Ensure the Vendor is not on State Hold. If Vendor is on State Hold, please do not proceed to utilize the Vendor until the Vendor clears up the hold.

2. Enter the supplier’s invoice number. This number is found on the invoice and is unique to that invoice.

3. Enter the date the invoice was received by your department. All invoices are to be date stamped as to when they arrived in a department.

4. Add your Non-PO Item under “Line Item Details” and click save or add another item. The first item listed is always Item No. 1. The second item listed is Item No. 2. These must correlate to the FAMIS item numbers. **Note:** If Freight is being charged and the Freight amount is known, it should be entered as the last line item.

5. Enter a short Description of the line item. The description must include the item name and may also include a part number.

6. Enter the amount entered. The Quantity X Unit Price must equal Extended Price. The Quantity must agree with the Unit Measure.

7. Enter the Unit of Measure. The Description, Unit of Measure, Quantity, and Unit Price Must Agree. See Preparation of Requisitions, Procedure No. PP-160 for a complete list of standard Units of Measure. The most common Units of Measure are: Each (Ea), M (for 1000), C (for 100) and Lot. Other common Units of Measure may be: Box (Bx), Carton (Ctn), and Package (Pkg).

8. Click on the Buyer Invoice tab and sub-tab code to enter the account number. Enter the account number. Each Line Item may be charged to a different account. If multiple accounts are used, enter each account number and their representative dollar portion of the total Non-PO Based Invoice.

   We cannot accept terms less than 30 days. Discounted terms (i.e. 3/10 Net 30) are acceptable so long as the net is 30.

9. When properly filled out, an experienced user should be able to make a sentence from Description, Quantity, Unit of Measure, Unit Price and Extended Price that would read something like this “**We are ordering 2 (quantity) cases** (unit of measure) of the 12 ounce cans of black spray paint sold at 24 cans per case (description) with a price of $46.30 per case (unit price) for a total of $92.60 (extended price)”.

10. The Account Manager will electronically sign the Non-PO Based Invoice as it routes through the E-Procurement System, JavelinaBuy.

**Types of Purchases Authorized with Non-PO Based Invoice Orders:**

**Characteristics:**

- Consumable
- Quick Delivery
- Full Shipment (all items received and invoiced at once)
- Will Call or Pickup

**Examples:**

- VWR Scientific Contract Items
- Wal-Mart
- Auto Supply
- Conference Registration
- Minor Catalog Supplies
- Reimbursement to Employee (purchases greater than Petty Cash Limit with prior authorizations)
- Books
- Subscriptions

**Types of Purchases Prohibited with a Non-PO Based Invoiced Purchase Orders:**

- Capital Equipment (equipment costing $5,000.00 or more)
- Controlled Equipment
- Firearms
- Cash Registers
- Fax Machines, Cameras, VCRs/Televisions, Printers, Stereo Equipment, Projectors, Microcomputers > $500.00

Items available through State Contract

Food

Individual Travel Services

Purchases > $5,000.00
1. Purpose

The purpose of this procedure is to provide detailed instructions on when to use, how to properly complete, and how to process the Department Requisition.

2. Scope

This procedure applies to all Departmental Requisitions.

3. Procedure

3.1 The Departmental Requisition is currently not the primary tool to be used by departments for ordering goods and services or to request certain financial services actions. Utilizing FAMIS is the preferred method. However, sometimes a departmental requisition in need in very few instances.

3.2 Example: Use the Departmental Requisition for the following:

1) To request issuance of scholarship checks
2) To request grant type specific requests

3.3 Other Forms: Some actions require special forms. These include:

1) Voyager Payments
2) IDT’s

3.4 The attached form is the approved Departmental Requisition Form. User’s must complete the form in its entirety and submit it for proper routing. Follow the instructions for completing the Departmental Requisition.
Requisition Form Example and Field by Field Instructions

DEPARTMENTAL REQUISITION
TEXAS A&M UNIVERSITY-KINGSVILLE

To be completed by Fiscal Office

Department Name 1
User 2
User Phone 3 Campus Box 4
Account Name 5
Account Number 6

Requisition Number 7
Buyer 8
PCC 9 Route 10
P.O. Number 11

12 My Department needs the following service, equipment, or supplies.
It is understood that these items, including labor, may be charged against my budget.

<table>
<thead>
<tr>
<th>Item Number</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Extend Price</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>13</td>
<td>14</td>
<td>15</td>
<td>16</td>
</tr>
</tbody>
</table>

Vendor Reference

Company Name: 19
Mail Address: 20
City, State, Zip: 21
Contact Person: 22
Phone 23 Fax 24

Date 25
Account Manager 26
Approval Date 27

Approval-President, Fiscal Officer 28

Make Requisition in quadruplicate. Keep last copy for departmental file and forward first four copies to Fiscal Office.
4. Instructions for Preparing Departmental Requisition Form

4.1 The form has been developed to include the necessary items for the Fiscal Offices to take action on behalf of the operating departments. Please note that all items must be completed. Follow instructions closely. Refer to the attached Requisition Form for the items listed below

1. **Department Name:** Enter the FAMIS department name. A common mistake is to enter the common department name. The FAMIS accounting system requires that we enter the FAMIS department name before we can transact any purchasing activity. The FAMIS department name is a four or five letter abbreviated name. It must be the name of the department to which the buying account belongs. If you do not know the FAMIS departmental name, call the Accounting or Strategic Sourcing & General Services.

2. **User:** Enter the primary user’s name. This is not necessarily the account manager’s name. It should be the name of the person that is most familiar with the request and can make clarifications when needed.

3. **User Phone:** Enter the direct line phone number of the person most familiar with the request.

4. **Campus Box:** Enter the campus number to which correspondence regarding the request should be mailed.

5. **Account Name:** Enter the account name. This should be the official name of the account from which the payment will be made.

6. **Account Number:** Enter the Account Number. This must be the account to which the charges will be made. The Account Manager’s signature on the bottom of the requisition must be the listed manager for the listed account. If multiple accounts are being used, indicate the percentage to be paid from each account.

7. **Requisition Number:** This number will be assigned by the Fiscal Office. It will be sequentially assigned. Copy four of the Requisition will be returned to the Department with the Requisition annotated. When calling to check on the progress of a Requisition, the number will be required. When searching for Requisition information in FAMIS, the number will be preceded by 111111 and will be referred to as the User Reference Number.

8. **Buyer:** Strategic Sourcing & General Services will assign a buyer to each Requisition if needed.

9. **PCC:** This code is assigned by the Strategic Sourcing & General Services to indicate by what authorizations the purchase is made. It is required by the Uniform Statewide Accounting System.

10. **Route:** The Fiscal/Strategic Sourcing & General Services will annotate if the Requisition requires special routing.

11. **P.O. Number:** This field may be used for three different numbers. The Strategic Sourcing & General Services may assign it a FAMIS Requisition Number and/or a FAMIS Bid Number during the bid process. Once an order is issued, the P.O. number will be recorded in this field.

12. This is a statement that authorizes the Fiscal Office to take action on the account.

13. **Number:** Enter the sequential number of listed items. The first item is always 1. The second item is 2. Do not enter part numbers, catalog numbers, or model numbers.

14. **Description:** Enter a detailed description of the items desired. Attach additional sheets when more specifications are required. Attach catalog and/or manufacturer’s information and specification sheets. Be sure to include all required information; i.e. Size, Shape, Color, Brand Name reference, Weight/Volume/Quantity per Unit of Measure, Commodity Code, Model Number, Part Number, ISBN Number, Catalog Number (catalog date/page number), Title, Beginning/Ending dates (for service), Course Titles, Name of Conference, Place of Conference, Name(s) of Attendee(s) as per the examples below:

15. **Quantity:** Enter the quantity in standard measurement terms. The quantity, the unit of measure, and the unit price must agree. If a quantity of 144 pencils are desired and they are sold in dozen packages the quantity would be 12 dozen. If the item is sold and priced in packages, then the quantity per package must be stated in the description field.
16. **Unit of Measure:** State the standard unit for measure for which the item is sold and priced. Abbreviations for industry standard units of measure are to be utilized:

17. **Unit Price:** Enter the price per unit of measure. If 144 pencils are being purchased at $2.80 per dozen, then the Unit Price is $2.80. If 144 pencils were being purchased at $0.233 each then the Unit Price is $0.233. Unit of Measure and Unit Price must agree.

18. **Extended Price:** Enter the product of the Quantity x Unit Price. In this example, this is 12 x 2.80 therefor the EXTENDED PRICE is $33.60.

19-24. **Vendor Reference Section:** This information is required for all purchase requisitions. By submitting the Vendor Reference information, the requesting department is certifying that they have contacted the Vendor Contact and have received a valid offer to sale at the quoted prices. If additional vendors have been contacted, a separate sheet listing the additional vendors is required. The only element of the Vendor Reference Section that is not mandatory is the Fax number. All other information must be completed. It is critical that the User identify all vendors to which they want a bid sent.

19. **Company Name:** Record the complete company name. Do not use abbreviations.

20. **Mail Address:** Record the street or P.O. Box address to which the Purchase Order should be mailed.

21. **City, State, Zip:** Record the City, State and Zip Code to which the Purchase Order should be mailed.

22. **Contact Person:** Record the name of the person from whom the pricing information was obtained.

23. **Phone:** Record the phone number of the person that provided the pricing information.

24. **Fax:** Record the fax number of the vendor contact.

25. **Date:** Record the date that the Account Manager signs the Requisition.

26. **Account Manager:** The Account Manager signs the Requisition.

27. **Approval Date:** The Fiscal Office will enter the date that the Requisition is approved for processing.

28. **Approval – President, Fiscal Office:** The President of the Approving Fiscal Office will sign in the field.

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5. **Processing the Requisition**

5.1 Accounts Payable will process the Departmental Requisition will occur at the Payable stage.
PP-180 Purchase Order Cancellation
Approved June 6, 1996
Revised January 9, 2018
Next Schedule Review: January 9, 2023

1. Purpose

To establish purchase order cancellation procedures.

2. Scope

Applies to all purchases cancellations.

3. Procedure

3.1 Cancellation of orders whose value is below $5,000 may be accomplished verbally. Cancellation of all other orders shall be in writing by the Department to Strategic Sourcing & General Services. All Purchase Orders without deliver beyond six months of the expected deliver date may be cancelled in JavelinaBuy by a Strategic Sourcing & General Services purchaser/buyer/Executive Director.

3.2 In the event that a vendor has begun production of a custom-made part or product, or has secured for delivery to the University an article that the vendor is not likely to sell within the vendor’s normal scope of business, or if the vendor has incurred costs in preparation for special or custom production, the University shall accept such costs as vendor may incur as a result of this cancellation. These costs might include payment for all custom-made parts or products already completed prior to cancellation or restocking charges incurred for returnable goods.
1. Policy on Historically Underutilized Businesses

1.1 It is the policy of Texas A&M University-Kingsville to involve qualified Historically Underutilized Businesses (HUBs) to the greatest extent allowed by law in the System's construction contracting, professional services, and purchase, lease, or rental of all supplies, materials, services and equipment. The University, its contractors and subcontractors shall not discriminate on the basis of race, color, religion, national origin, sex, disability, political belief or affiliation in the award of contracts. Every University employee responsible for conducting business with outside vendors has the responsibility of making a good faith effort of ensuring that HUBs are afforded an equitable opportunity to compete for all procurement and contracting activities of the University.

1.2 Statewide HUB Program a division of the Statewide Procurement Division (SPD) and the University, as an Institution of Higher Education, operate under the basic principles of free and vigorous competition. To ensure that all vendors have free access to participate in the competitive process, the University will establish and carry out policies governing purchasing and public works contracting that foster meaningful and substantive inclusion of historically underutilized businesses.

1.3 The University, in conjunction with the Statewide HUB Program, proactively identifies and ensures that minority, women owned, and Service Disabled Veterans' businesses are given an equal opportunity to bid on delegated purchases, open market purchases, term contracts, leases, and construction projects by providing assistance in understanding the State's bidding process. In an effort to achieve this mission, the State of Texas Comptroller's Office has implemented the following programs: Statewide Historically Underutilized Business Program Procurement Connection Seminar and Expo (Focus: How to contract with the State of Texas and its vendors and grow your HUB business) and Economic Opportunity Forums (EOF) Calendar (Focus: a site that provides a schedule of various EOFs; i.e. vendor fairs, spot bid fairs, conventions, conferences, workshops, seminars, etc.) The Seminar and Expo along with the EOF calendar are sponsored by state and local government agencies and universities as well as development centers and trade organizations that provide assistance and guidance for economic development and sustainability of small, minority, woman and service-disabled veteran owned businesses. The programs will focus on identifying, educating, assisting, and certifying HUBs throughout the State of Texas who sell Products and/or services that the State purchases.

1.4 The Procurement Connection Seminar and EOFs will also provide HUB participants with an opportunity to network with representatives from the largest state agencies and obtain information regarding contracting opportunities. Seminars and Expos is a training seminar offering several concurrent workshops for HUBs, State Purchasers, and Organizations (i.e., local Chambers of Commerce, Minority and Small Business Development Centers). Business Opportunities: This Workshop provides minority and women-owned businesses the opportunity to gain an inside perspective on how the procurement and bid opening process works, along with learning how to use various informational tools available under the Texas Public Information Act. The Work Shop will provide essential information for preparing and submitting bids and will discuss networking and marketing techniques to effectively promote your business, HUB Certification and the Bid List/Certification Application. The form allows qualified minority, women-owned and service disabled veteran businesses to be certified as HUBs. The form may also be used as a request to be placed on any other state agency bid list, including the Centralized Master Bidders List (CMBL).

1.5 In order to qualify as a certified HUB, the business must be a for-profit entity that has not exceeded the size standard prescribed by 34 TAC §20.294 and has its principal place of business in Texas. Corporation, Sole Proprietorship, Partnership or Joint Venture in which at least 51 percent of all classes of the shares of stock or other equitable securities are owned by one or more persons who have been historically underutilized (socially disadvantaged) because of their identification as members of certain groups, including Black American, Hispanic American, Asian Pacific American, Native American, American women and/or Service Disabled Veteran who reside in Texas and actively participate in the control, operation, and management of the entity's affairs. The Statewide HUB Program will conduct random certification audits to examine records, books and files of certified HUBs to verify qualifications and maintain the integrity of the certification process. In the event a person/business intentionally applies for HUB certification and knowingly does not meet the criteria of a HUB, the person/business will be removed from the State’s automated HUB Directory and will be subject to legal prosecution.
2. Certification Benefit

2.1 Being certified offers a minority, women-owned business and service disabled veteran the opportunity to be listed on the State’s automated HUB Directory, maintained by the Statewide HUB Program. This Directory is accessed daily by 250 state agencies (with over 750 users) to locate certified HUBs.

2.2 Being certified increases a HUB’s opportunity to be contacted for spot and delegated purchases. A spot purchase of supplies, materials or services under $25,000 delegated to state agencies in accordance with the Statewide Procurement Division rules.

3. Purchasing Policies and Procedures

3.1 In an effort to maximize contracting opportunities for HUBs, the University has adopted the following Purchasing Policies and Procedures.

3.2 Purchases under $5,000 require a minimum of one (1) informal bid; HUB solicitations are encouraged.

3.3 Purchases $5,000.01 to $25,000 require a minimum of three (3) bids; a minimum of 2 certified HUBs must be solicited.

3.4 Performance Bonds are only required for contracts greater than $100,000.

3.5 Certified HUBs will be listed on the State’s automated HUB Directory.

3.6 An automated semi-annual and annual expenditure report will be utilized to compile and analyze the total dollars awarded to HUBs.

3.7 The Statewide HUB Program will conduct random certification audits to verify the qualifications of HUBs.

3.8 Some term contracts will be developed by the Statewide Procurement Program by regions or districts, awards will be made in smaller contractual units, and various quality levels will be set in order to increase participation.

3.9 News media avenues (i.e., ethnic newspapers, brochures, Small Business Development Centers, local Chambers of Commerce) will be used to advertise appropriate contract opportunities.
1. Purpose

This policy provides the guidelines to be used in all procurement negotiations.

2. Scope

This policy applies to all employees.

3. Procedure

3.1 Negotiation may be used in Lieu of Competitive Bidding. In almost all instances, purchases are based on competitive bids. Negotiations are prohibited when a competitive environment exists. However, negotiation of contracts is permitted and encouraged for non-competitive environments which included:

3.1.1 Purchases made using Catalog Purchasing Procedures through a Catalog Information Systems Vendor.

3.1.2 Emergency purchases when bidding is not practical.

3.1.3 Purchases of an item for which there is only one source of supply.

3.1.4 Purchases by means of a Request for Proposal.

3.1.5 Purchases when only one bidder responds to a competitive bid offer.

3.1.6 Purchases of services described in the Professional Services Act.

4. General

4.1 Negotiation may be a formal or semi-formal process such as occurs in contract negotiations, or may be an informal process or activity that takes place in qualifying a vendor, evaluating a product, establishing a set of specifications, of undertaking any of the other aspects of the procurement function.

4.2 Negotiation demands a high degree of skill, experience, preparation and continuing practice to maintain peak performance levels. Both the vendor-negotiator and the buyer-negotiator must have final authority to effectively undertake the negotiation process.

4.3 The following is a list of procurement attributes that tend to escalate the need for skilled negotiation:

4.3.1 The product is to be designed and/or produced according to unique specifications.

4.3.2 Procurement time is “of the essence.”

4.3.3 Active price competition is lacking among an adequate number of able and willing suppliers.
4.3.4 Specifications are vague and indefinite.

4.3.5 Procurement is to extend over a long period of time.

4.3.6 Several design or specification changes are anticipated.

4.3.7 Larger future requirements are anticipated.

4.3.8 The procurement is sizable and involves a strong possibility of multiple awards.

4.3.9 The procurement involves a substantial initial investment by the supplier, or an extended period of preparation and/or engineering.

4.3.10 The quotation procedure of establishing fair and reasonable prices is subject to doubt.

4.4 Whenever doubts are raised, or could arise, as to the necessity or manner of negotiating, procurement personnel are advised to seek assistance from people with the requisite skills and experience in negotiating.

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5. Negotiation Questions

5.1 The following checklist questions will help guide purchasing personnel in the majority of situations. Some of the questions will only apply infrequently in limited circumstances. The questions are grouped by subject area:

A. Buyer’s Knowledge of What He is Buying

1. Have the drawing and uses of parts or materials been reviewed?

B. Proposed Sources—Suppliers and Materials

1. Are quotations being secured from an adequate number of sources?

2. Are there alternate materials or sources?

C. Financial Responsibility

1. Has the supplier’s financial and credit responsibility been considered in the light of the work to be performed?

2. Does he seem over-extended by current commitment?

3. Have his cash-flow needs been reviewed?

D. Facilities

1. Do suppliers have sufficient areas and equipment to perform in accordance with out delivery schedule?

2. Is it known exactly what operations the supplier intends to subcontract?

3. Is the bidder’s proposed subcontracting advantageous to us, the buyer?

4. Does the supplier demonstrate ability to control his own subcontracting?

E. Performance

1. Are the proposed sources accustomed to manufacturing this item or similar items?

2. Do they demonstrate, on the strength of past performance, ability to meet this schedule?

3. Do their past rejection experience demonstrate ability to meet test and quality requirements?
4. Is a performance bind advisable?

5. Is a penalty clause advisable?

6. Should you obtain the right to use or acquire tooling, designs and/or materials to manufacture this item, in case of default?

F. Tooling

1. Is special tooling being purchased separately?

2. Are there any mating or interchangeability problems requiring special action?

3. Is it advisable to have tooling coded with our code numbers?

4. Have we distinguished between special tooling required for the contract and facility items?

G. Patents, Royalties and Development

1. Is this a patented item?

2. Can the article be reproduced through other sources without infringing on patent rights?

3. Are research and development costs set up as separate items, so that future procurements will not be affected?

4. Does the Buyer have a right to acquire any patents resulting from research and development?

H. Planning and Scheduling

1. Has the supplier’s proposed sequence of work or operations been analyzed?

2. Are all necessary activities included?

3. Has the supplier established realistic control points and flow times, by activity or operation, consistent with the demands of this contract?

4. Has he balanced loads among activities?

5. Are there any special handling, packaging or shipping requirements that may delay delivery?

6. Are spares involved, and are test and engineering requirements fully understood?

I. Technical Requirements

1. Are all inspection, test and engineering requirements fully understood?

2. Is the item adequately described on the blueprints, specifications, purchase order, etc. so that no doubt exists as to what is ordered?

3. Are there any special test or quality control requirements the supplier must meet? Does he fully understand them, and does he have time, facilities and know-how to comply?

J. Ethical Considerations

1. Are the negotiations being conducted according to the requisite high ethical standards?

An “original” cost-cutting method developed by one supplier should not be exposed to the supplier’s competition, nor should we reveal terms and prices to get another supplier to make a more advantageous agreement.
1. Purpose

To establish a procedure for the issuance of formal purchase orders.

2. Scope

This procedure applies University wide.

3. Procedure

3.1 All formal purchase orders shall be prepared from a properly completed purchase requisition in JavelinaBuy. The purchase requisition is designed to contain all of the necessary information and signature relevant to the processing of the procurement within the University. The completion of the purchase requisition by the Buyer is the principal document used to prepare a formal purchase order.

3.2 Formal purchase orders shall be prepared under the following conditions:

1. When requested or required by a vendor.
2. When the Buyer feels that the order is sufficiently complicated to require a written confirmation for the vendor.
3. When the transaction exceeds $5,000.00 in value.
4. When the term of the agreement will exceed six months.

3.3 The formal purchase order will be distributed as follows:

1. Electronically via JavelinaBuy to the PO distribution email on file under for the vendor.
2. The PO is maintained along with the support documentation in JavelinaBuy.

3.4 The formal purchase order is used as a written order to a vendor and may be either an original order or may confirm a verbal order. This form may also serve as a written change order.

3.5 The form is created from information supplied by a properly completed purchase requisition and bid documents as entered into the E-Procurement System, JavelinaBuy. (See the JavelinaBuy E-Procurement System Enterers and User’s Manual.)
1. Purpose

Price validation is an integral part of the purchasing process. It is the purpose of this policy to provide guidelines to buying personnel when effecting purchases.

2. Scope

This policy applies to all purchases.

3. Procedure

3.1 It is the basic responsibility of all purchasing personnel to validate the reasonableness of all prices paid for goods and services. The preferred method is to conduct price analysis (the comparison of prices) when the quotations received are normally competitive. When price analysis cannot be performed (for example in an emergency), Buyers are to use cost analysis (an examination of elemental cost data within each quotation).

3.2 Departments are responsible to confirm all prices for orders less than $5,000.

3.3. To assure satisfaction of our needs at the lowest possible cost consistent with the best quality, service and deliver of required goods, the following factors should be considered in analyzing cost:

A. Cost Factors

1. Initial purchase price
2. F.O.B. point
3. Cash terms
4. Transportation costs
5. Lead time
6. Inventory costs
7. Quality control
8. Packaging and handling cost
9. Financial

3.4 Purchasing personnel are expected to be well informed about University needs and price/cost information pertinent to the goods and services required to meet those needs. The price validation process should include an examination of total costs and not simply the purchase price.
1. Purpose

To provide procedures for the establishment and maintenance of Purchasing Department files.

2. Scope

This procedure applies to all Purchase Orders generated from Strategic Sourcing & General Services.

3. Procedure

3.1 All files kept for the Strategic Sourcing & General Services shall be established and maintained by the Purchasing Assistant whose responsibility they shall be.

3.2 Files maintained within the Purchasing Department and their retention schedules shall be as follows:

1. All purchase requisitions shall be included with their Purchase Order number with separate files maintained for each calendar year. The current year plus two prior year’s requisitions shall be maintained in the Purchasing Department. The third, fourth, and fifth prior years they shall be maintained in storage. All requisitions older than the fifth prior year shall be destroyed.

2. All Spot purchase order copies shall be maintained in numerical order for three years, after which time they shall be destroyed.

3. Logs of all purchase order numbers and all field purchase order numbers shall be maintained in the FAMIS database. After five years they may be purged.

4. All Fixed Assets shall be entered into the FAMIS database. Documents relating to these purchases shall be maintained for five years.
PP-260 Return for Credit Procedure
Approved June 5, 1996
Revised January 10, 2018
Next Schedule Review: January 10, 2023

1. Purpose

To establish the procedure for the return of materials purchased.

2. Scope

This procedure applies University wide.

3. Procedure

3.1 The Department/End User is to be notified of merchandise received and determined excessive, obviously damaged, non-acceptable, inappropriate or substandard to the intended end-use for which it was purchased. It is the Department/End User responsibility to negotiate and arrange return of the merchandise.

3.2 It is the responsibility of the Department/End User returning the goods to request a credit invoice from the Vendor and forward to Strategic Sourcing & General Services.

3.3 Depending on circumstances involved, disposition alternatives to be considered include:

   1. Vendor furnishes suitable replacement at no charge, or negotiates cost difference to the University and arranges pickup, handling and freight costs.

   2. Vendor will re-invoice the University for Negotiated Price Reduction.

   3. Scrap.

   4. Return to vendor for full credit, less restocking charge and freight.

   5. Return to vendor for full credit, freight collect.

All such transactions are to be discussed with the Purchasing Agent prior to commitment.
1. Purpose

To provide a procedure for returning materials to vendor.

2. Scope

This procedure will apply to all returned materials.

3. Procedure

3.1 Department/End User will approve the return of all items after contact is made with supplier (see Procedure PP-260, Return for Credit Procedure).

3.2 Department/End User will coordinate paperwork and shipping.

3.3 Departments requesting material to be returned will furnish pertinent information regarding original receipt:

1. Vendor name and invoice number
2. Full describing
3. Reason for returning material
4. Purchase order number

A. Damaged Material

1. Department/End User will review items and determine or suspect to damage at time of receipt and will note on carrier packing slip regarding damaged goods or packages. Notify Vendor and Buyer concerning the handling of parts in question:

   a. Determine extent of damage and contract vendor for remedy.
   b. When credit is to be made:
      1. Obtain credit memo from Vendor.
      2. If replacement is issued from Vendor, obtained invoice noting this exchange.

B. Material Not Meeting Need

1. If department determines that they did not correctly specify the material requirements and determines that the equipment should be returned, the following will apply:

   a. Contact Vendor for return shipping slip and work with Central Receiving on returning to shipping vendor.
   b. Contract the Buyer to authorized to pay a reasonable restocking fee (usually less than $1,500.00).
   c. The ordering department shall be responsible for all return costs.
1. Purpose

To provide familiarity with purchasing law to all Purchasing personnel.

2. Scope

This policy applies to all employees.

3. Procedure

3.1 Every Buyer should have sufficient knowledge of the law to enable him to understand the relationship between himself and the University, and the legal consequences of the acts that he performs in the University’s name.

3.2 With knowledge of the legal fundamentals of purchasing, the Buyer will be better equipped to recognize the need for legal guidance and seek it when necessary.

3.3 Acts of Purchasing Agents, Buyers and authorized personnel are binding upon the University, within the limits of the express authority given them. Sellers accustomed to dealing with a particular Buyer, who has general authority, are justified in believing that his successor will have the same degree of authority, however, with State Government, the seller must assure him/herself that the buyer does have express authority.

3.4 The purchaser must also know definitely if and when the salesman is authorized to conclude a contract. Useless he is additionally authorized, the salesman’s authority is usually limited to soliciting orders. The salesman’s employer ratifies and accepts them.

4. Personal Liability

4.1 The Purchasing employees and those delegated Purchasing authority represent the University in buying transactions and are governed by the law of agency. As an agent, Buyer has the “express authority” granted by the University and is guided by written, unwritten, and established practices and procedures.

4.2 So long as Buyer acts within the scope of “expressed authority,” and is neither negligent, dishonest, nor acting in bad faith, Buyer is not likely to become personally liable for such actions. However, personal liability may occur if the scope of express authority is exceeded. Buyer is always liable for tortious acts, such as assault and battery.

4.3 To protect against personal liability, the Buyer must avoid the following types of situations:

   4.3.1 Making a false statement about authority.

   4.3.2 Making any false statement with an intent to deceive.

   4.3.3 Taking any action without authority that could result in damage to another.

   4.3.4 Performing an illegal act, even with the authorization of employer.

   4.3.5 Performing any damaging act outside Buyer’s scope of authority.
4.3.6 Entering into agreements that exceed the Buyer’s express authority.

4.4 In each of these cases, the seller ordinarily has no recourse to the University, since no valid contract exists between the seller and the University. The only recourse which the seller commonly has is to sue to the Buyer personally. Under some circumstance, Buyer may be answerable to the University and to the seller with whom Buyer had been dealing.
1. Purpose

To establish a procedure to accommodate “Rush” requirements.

2. Scope

This procedure applies to all purchases.

3. Procedure

3.1 From time to time it is recognized that requirements will arise whose urgency will dictate immediate processing. In such case, contract Strategic Sourcing & General Servicers directly for immediate attention.

3.2 Every effort will be made to process “Rush” purchase requisitions immediately. If, for any reason, the Buyer has difficulty meeting the time requirement, Buyer will promptly consult with the requester and will notify the Purchasing Agent.

3.3 It should be noted that every effort should be made to minimize “Rush” transactions.
1. Purpose

To provide policy concerning the solicitation of competitive bids.

2. Scope

This policy applies to transactions on materials and/or services with an estimated unit price of greater than $5,000.00 and covered by a contractual agreement.

3. Procedure

3.1 The Buyers are responsible for obtaining bids on material and/or services that are expected to exceed $5,000.00 except as noted below under “Exceptions”. This shall be done for both estimating purposes and purchases. A price check must be made on expenditures less than $5,000.00.

3.2 For all funds, purchase procedures will follow the Texas A&M University System Procurement Code.

4. Types of Bids

4.1 Informal

4.1.1 Informal Bids will be obtained for purchases of standard or non-complex material with an estimated unit price between $5,000.01 and $25,000.00. Bids are to be recorded in the P.O. file. The Bid Record must contain the name of the company and the quoted price. When possible, the Bid Record will include the name of the person making the quote and the phone number for the vendor. Informal Bids may be solicited from the telephone or fax with an informal form.

4.1.2 Three (3) bids should come from the CMBL; two (2) HUB solicitations are required. More than three (3) bids may be solicited when the competitive environment will be enhanced.

4.1.3 Informal bids are to be designed to expedite the solicitation, award, and delivery of the goods or services. Specifications should be simple and clear but should provide for a competitive environment.

4.1.4 With specific authorization from the Executive Director of Strategic Sourcing & General Services, departments may be allowed to obtain informal bids.

4.2 Formal

4.2.1 Formal bids will be obtained for purchases of all equipment and services greater than $25,000.01. The formal bid form must be used. A record of the bid list and a bid summary will be maintained in the P.O. file or on the FAMIS database.

4.2.2 Formal bids will have written detailed specifications. The specifications should not limit or eliminate competition unnecessarily. The specifications should incorporate a clear and accurate description of the goods or services to be procured. This description should not contain requirements which unnecessarily limit competition; and the description should include:

a.) a statement setting minimum requirements
b.) the specific features of the goods or services which must be met
c.) language with additions, extensions of the order, escalations, etc.
d.) dates of service or delivery terms for items being purchased, as required
e.) minimum essential characteristics and standards of items or services to which they must conform if they are to satisfy their intended use
f.) special clauses for funding purposes, as required
g.) include any written data requirements, if necessary
h.) evaluation factors which will be used in determining the successful bidder, i.e., a clear objective basis of award.
1. Purpose

To establish the procedure for the disposal of surplus and/or salvage property.

2. Scope

This procedure applies to all materials that become surplus to the department.

3. Procedure

The Property Manager is responsible for implementation of this procedure.

4. Related Procedure

4.1 The identification and handling of surplus, salvage and scrap material is to be accomplished in accordance with the Texas A&M University System Equipment Manual and the State of Texas Property Accounting System.

5. Definition

5.1 For purpose of the procedure, the following definitions shall apply:

- **Materials** – Equipment Tools, Supplies, Commodities, and Building Materials
- **Surplus** – Materials that are no longer needed by the department
- **Salvage** – Materials that are no longer needed by the University
- **Scrap** – Materials that are no longer needed by the University and have no useful life or market value.

6. Disposition of Surplus/Salvage/Scrap Material

6.1 When a department identifies materials (equipment and/or supplies) that no longer have useful value to the department, they should contact the Central Receiving Department or the Property Manager who will assist them in having the materials removed from their inventory. An Equipment Deletion Form will need to be completed and submitted to the Central Receiving Department.

6.2 If the materials are on the department inventory, the Property Manager will adjust the departmental inventory, upon receiving the completed fully executed Equipment Deletion notification from Central Receiving.

6.3 If the materials have any useful life or market value, Central Receiving will remove the material to the Surplus/Salvage holding area. If the materials have no useful life or market value, Central Receiving may declare the materials as Scrap and direct Physical Plant to dispose of the material by the most economically efficient and environmentally friendly method.

6.4 All property held in the Surplus/Salvage holding area are available for transfer to any department on a first come first serve basis. State rules shall be applied to items that become salvage.

6.5 On a periodic basis, Surplus Materials shall be declared as Salvage and offered for sale in accordance with the TAMUS Policies.
6.6 Central Receiving will be responsible for overseeing the sale of all surplus and scrap property. Strategic Sourcing & General Services shall establish contracts and advertise bids or seek state vendors for the sale of all surplus and scrap property.
1. Purpose

To establish the procedure for liquidating erroneous encumbrances before the close of the fiscal year.

2. Scope

This procedure applies to all items listed on the FBMR009 report.

3. Responsibility

3.1 The Executive Director of Strategic Sourcing & General Services is responsible for implementation of this procedure. Responsibility for taking action crosses all departments. Strategic Sourcing & General Services and the Office of the Assistant Vice President for Finance and Administration have the authority and responsibility to liquidate erroneous orders as identified by their respective offices.

4. Procedure

4.1 The process for reviewing outstanding encumbrances and taking action on erroneous orders is accomplished in several steps. The process is described in chronological order:

May: The Office of DT&PMS shall download the FBMR009. The spreadsheet will be sorted and will be forwarded to Strategic Sourcing & General Services to take action on specific items. Generally, Strategic Sourcing & General Services will be responsible for all P Docs (C, P, S, and R prefixes).

C, P, S & R Docs:

1. **Sort Documents by Order Number:** Work on oldest Requisitions and P.O.s first. Consideration should be given to the following:

   a.) **Service Orders Cross Fiscal Years:** Many orders have a payment in September or October and no further payments until the next fiscal year.
   b.) **Copier Agreements:** Many copier P.O.s are for multiple years. Some copier agreements expire mid-year but are held open for final billings. All copier orders with no activity for more than 2 months should be considered for completion.
   c.) **Master Orders:** The University should attempt to create non-encumbering Master Orders. At this writing, there are several old master orders that are encumbered for small amounts to hold the order open. These orders should be examined carefully before completing.

2. Once an order is identified for completion use these steps:

   a.) **R Docs:** Go to 258 and Reopen doc and then Delete doc. If access is denied, call department creator to delete doc.

   b.) **P Docs:** Go to 228 and attempt to Delete doc. If access to Delete is denied, attempt to open doc and Delete all items. If access is still denied, Complete doc.
1. Purpose

The purpose of this policy is to ensure the proper use and design of the University name and to ensure that all copyrights that may apply are properly and adequately protected.

2. Scope

This policy applies to all employees.

3. Procedure

3.1 The designing or ordering of material that includes the use of the University name or symbol must be approved by the Marketing and Communication Office.
PP-330 Supplier Obligations
(previously P-330)
Approved January 26, 2018
Revised
Next Schedule Review: January 26, 2023

1. Purpose

It is the purpose of this policy to state the basic policy concerning supplier obligation to the university.

2. Scope

This policy applies to all supplier obligations to purchase transactions conducted in behalf of the university.

3. Procedure

3.1 Suppliers are expected to fulfill these basic responsibilities:

3.1.1 To handle all written and personal communications with the university through Strategic Sourcing & General Services, for technical reasons, to do otherwise; in which case Strategic Sourcing & General Services is to receive copies of all correspondence and be kept informed of any oral communications.

3.1.2 To negotiate purchasing contracts and all sales with Strategic Sourcing & General Services only.

3.1.3 To conduct negotiations ethically, without attempts to influence through offering valuable personal gifts or entertainment.

3.1.4 To make available through Strategic Sourcing & General Services or other designated university representatives, all available technical, engineering, systems, procedures, service and ideas that might improve the university’s present or future use of suppliers products and services.

3.1.5 To advise Strategic Sourcing & General Services or other authorized personnel of any new products as soon as such information is available.

3.1.6 To suggest ways and means of conducting joint efforts in research and development that might be of benefit to both parties.

3.1.7 To inform Strategic Sourcing & General Services of changes in economic or other conditions that might affect purchasing or operating decisions.

3.1.8 To inquire through the Executive Director of Strategic Sourcing & General Services for further information concerning selling products to the university.
1. Purpose

The purpose of this procedure is to define the parameters of procuring certain Precursor Chemicals and Laboratory Apparatus subject to the Federal Regulation under 21 CFR Part 1301.

2. Scope

This policy applies to all supplier obligations to purchase transactions conducted in behalf of the university.

3. Procedure

This procedure is developed to ensure compliance with the Memorandum of Understanding (MOU) between the Texas Department of Public Safety and The Texas Higher Education Coordinating Board dated June 13, 2006.

This memorandum of understanding was created in order to establish the responsibilities of the DPS, the THECB, and the public or private institutions of higher education for implementing and maintaining a program for reporting information concerning controlled substances, controlled substance analogues, chemical precursors, and chemical laboratory apparatus used in education or research activities of institutions of higher education.

I. Definitions

The following terms are used in the MOU and are included here for the purpose of enhancing clear communications on the subject.

(a) Agent - any peace officer or other person who is authorized by law to enforce or administer state or federal drug laws.

(b) Central Location - location within an institution of higher education where records are maintained.

(c) 21 CFR, Part 1301 - 21 Code of Federal Regulations, Part 1301 to End (as mended), providing for the Registration of Manufacturers, Distributors, and Dispensers of Controlled Substances and any amendments to these regulations hereafter adopted.

(d) Client -- any person or entity to which DPS has issued a permit authorizing the purchase, sale, transfer or furnishing of a controlled item.

(e) Controlled Glassware - condensers; distilling apparatus; vacuum dryers; single, two-and three-necked flasks; distilling flasks; Florence flasks; filter funnels; Buchner funnels; separatory funnels; Erlenmeyer flasks; round-bottom flasks; thermometer flasks; filtering flasks; Soxhlet extractors; and adapter tubes made of glass.

(f) Controlled Item - precursor chemicals and laboratory apparatus listed in Texas Health and Safety Code Section 481.002 (51) and 481.002 (53) and as named by value by the Director of the Department of Public Safety pursuant to the Texas Health and Safety Code Section481.077(b) and 481.080(c).
The table below lists the controlled items as of September 1, 2005.

<table>
<thead>
<tr>
<th>Precursor Chemicals</th>
<th>Laboratory Apparatus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Methylamine</td>
<td>A. Condensers</td>
</tr>
<tr>
<td>2) Ethylamine</td>
<td>B. Distilling apparatus</td>
</tr>
<tr>
<td>3) D-lysergic acid</td>
<td>C. Vacuum dryers</td>
</tr>
<tr>
<td>4) Ergotamine tartrate</td>
<td>D. Three-necked flasks</td>
</tr>
<tr>
<td>5) Diethyl malonate</td>
<td>E. Distilling flasks</td>
</tr>
<tr>
<td>6) Malonic acid</td>
<td>F. Tableting machines</td>
</tr>
<tr>
<td>7) Ethyl malonate</td>
<td>G. Encapsulating machines</td>
</tr>
<tr>
<td>8) Barbituric acid</td>
<td>*Filter funnels, buchner funnels, and separator funnels</td>
</tr>
<tr>
<td>9) Piperidine</td>
<td>H. Erlenmyer flasks, two-necked flasks, single neck flasks, round-bottom flasks, Florence flasks, thermometer flasks, and filtering flasks</td>
</tr>
<tr>
<td>10) N-acetylanthranilic acid</td>
<td>I. Soxhlet extractors</td>
</tr>
<tr>
<td>11) Pyrrolidine</td>
<td>J. Transformers</td>
</tr>
<tr>
<td>12) Phenylacetic acid</td>
<td>K. Flask heaters</td>
</tr>
<tr>
<td>13) Anthranilic acid</td>
<td>L. Heating mantles</td>
</tr>
<tr>
<td>14) Hypophosphorus acid</td>
<td>M. Adapter tubes</td>
</tr>
<tr>
<td>15) Ephedrine</td>
<td></td>
</tr>
<tr>
<td>16) Pseudoephedrine</td>
<td></td>
</tr>
<tr>
<td>17) Norpseudoephedrine</td>
<td></td>
</tr>
<tr>
<td>18) Phenylpropanolamine</td>
<td></td>
</tr>
<tr>
<td>19) Red phosphorus</td>
<td></td>
</tr>
</tbody>
</table>

(National Institute of Governmental Purchasing Commodity: Class Code: 175)
(g) Controlled Substance - a substance, including a drug, an adulterant and a dilutant as defined by the Health and Safety Code, Chapter 481, the Texas Controlled Substances Act.

(h) Controlled Substance Analogue - (1) a substance with a chemical structure substantially similar to the chemical structure of a controlled substance in Schedule I or II or Penalty Group 1, 1-A, or 2 of the Texas Health and Safety Code, Chapter 481, Texas Controlled Substances Act; and (2) a substance specifically designed to produce an effect substantially similar to, or greater than, the effect of a controlled substance in Schedule I or II or Penalty Group 1, 1-A, or 2 of the Texas Health and Safety Code, Chapter 481, Texas Controlled Substances Act.

(i) DPS - Department of Public Safety Narcotics Service Regulatory Program that is charged with the regulation of controlled substances and items listed in this MOU.

(j) Institution of Higher Education or Institution - this term includes an institution of higher education, as defined in Texas Education Code, Section 61.003(8), a private or independent institution of higher education, as defined in Texas Education Code, Section 61.003(15), and a private postsecondary educational institution, as defined in Texas Education Code, Section 61.302(2).

(k) MOU - memorandum of understanding as required by the Texas Health and Safety Code, Section 481.0621(b).

(l) RSD-65 - form prepared and issued by DPS Narcotics Service to clients to report sale, transfer, or furnishing of a controlled substance or item.

(m) THECB - Texas Higher Education Coordinating Board.

(n) Unacceptable Discrepancy - any difference in the amount on hand and the amount documented that cannot reasonably be explained by accidental or normal loss.

IV. Precursor Chemicals

The following chemical are subject to this procedure. Any employee requiring these chemical must follow this procedure for ordering and inventorying these chemicals.

The controlled chemicals are:

1) Methylamine
2) Ethylamine
3) D-lysergic acid
4) Ergotamine tartrate
5) Diethyl malonate
6) Malonic acid
7) Ethyl malonate
8) Barbituric acid
9) Piperidine
10) N-acetylanthranilic acid
11) Pyrrolidine
12) Phenylacetic acid
13) Anthranilic acid
14) Hypophosphorus acid
15) Ephedrine
16) Pseudoephedrine
17) Norpseudoephedrine
18) Phenylpropanolamine
19) Red phosphorus

****Purchase Procedure for Precursor Chemicals****

To Order the Listed Chemicals

All chemicals listed above must be ordered through a Purchase Order issued by the Office of Strategic Sourcing & General Services. Department staff shall create a Non-Catalog Item Requisition.

Departments are expressly prohibited from ordering any of the controlled chemicals listed above with the Procurement Card.

***Inventory Procedure for Precursor Chemicals***

A Perpetual Inventory for the listed chemicals must be maintained within the department. The Office of Enterprise Risk Management will conduct an annual survey of chemicals on hand. Assistance with establishing a Perpetual Inventory program can be obtained from the Office of Enterprise Risk Management.

V. Laboratory Apparatus

The following laboratory apparatus are subject to this procedure. Any employee requiring these apparatus must follow this procedure for ordering and inventorying these apparatus.

The controlled laboratory apparatus are:

A. Condensers
B. Distilling apparatus
C. Vacuum dryers
D. Three-necked flasks
E. Distilling flasks
F. Tableting machines (INVENTORY REQUIRED)
G. Encapsulating machines (INVENTORY REQUIRED)
H. Filter funnels, buchner funnels, and separatory funnels
I. Erlenmyer flasks, two-necked flasks, single neck flasks, round-bottom flasks, Florence flasks, thermometer flasks, and filtering flasks
J. Soxhlet extractors
K. Transformers
L. Flask heaters
M. Heating mantles
N. Adapter tubes

***Purchase Procedure for Laboratory Apparatus***

To Order the Listed Laboratory Apparatuses:

All chemicals listed above must be ordered through a Purchase Order issued by the Office of Strategic Sourcing & General Services. Department staff shall create a requisition Non-Catalog Item Requisition.

Departments are expressly prohibited from ordering any of the controlled laboratory apparatus listed above with the Procurement Card.

***Inventory Procedure for Laboratory Apparatus***

Items F (Tableting Machines) and G (Encapsulating Machines) are required to be inventoried. All purchases for these items must be reported to the Property Manager to be entered into the Fixed Assets Module of FAMIS, beginning of Screen 360.

University employees are expressly prohibited from removing any Laboratory Glassware or listed items from the campus. All Laboratory Glassware must be destroyed (broken) before disposal. Glassware may not be surplused, salvaged, resold, or reused in any way. Inventory all chemicals that will be properly disposed of, which also includes all glassware.

All persons engaged in Laboratory work shall make every effort to comply with the following requirement of the MOU between the Texas Department of Public Safety and The Texas Higher Education Coordinating Board dated June 13, 2006.

An institution or site that discovers a readily unacceptable discrepancy,
loss, pilferage or theft of a controlled substance, controlled substance analogue, precursor chemical or laboratory apparatus (including controlled glassware) shall submit a written report of the incident to the appropriate law enforcement agency no later than 5 business days after the date of discovery of the discrepancy, loss, pilferage or theft. The institution shall forward the report to DPS within 5 additional business days after the report is submitted to the appropriate law enforcement agency.

Any discovery or suspicion of missing Laboratory Apparatus must be reported to the University Police at 361-593-2611 and the Office of Enterprise Risk Management.

**Non-Compliance**

Employees failing to comply with this procedure are subject to a variety of actions dependent on the infraction. These actions could possibility include actions described in Texas A&M System Policy 32.02 as well as Criminal and Civil actions.
1. Purpose

To define the parameters for food purchases.

2. Scope

This procedure applies University wide.

3. Procedure

3.1 The use of state funds for the purchase of food is very limited. State funds cannot be used for the purchase of coffee, bottled water or other food items for consumption by employees or departmental visitors. State funds can, however, be used to pay for food purchases related to research, teaching, wards of the state, or organized activities.

3.2 Expenditures for food and/or refreshments from local funds are authorized to the extent such expenditures enable the state agency to carry out an educational function, promote education in the State of Texas, or perform public service.

3.3 Expenditures for food and/or refreshments must comply with one or more of the following purposes:

1. The recognition or promotion of academic achievement, athletic achievement, scholarship and/or service to a Member of the A&M System or the State;

2. The promotion of the communication of intellectual ideas among students, faculty, staff, administrators and/or representatives of the public;

3. The support of student events and activities that are sponsored by a Member of the A&M System;

4. The recruitment of students, faculty, and staff;

5. The promotion of the exchange of ideas with community leaders regarding the role of a Member of the A&M System in the community;

6. The assistance of the Regents, accrediting agencies, officials from other universities and/or public officials in inspecting and reviewing the facilities and programs of a Member of the A&M System; or the support of a program of continuing education sponsored by a Member of the A&M System.

3.4 The following categories of funds may be used to purchase food and/or refreshments for the purposes listed above:

1. Balances in accounts funded from student service fees, bookstore allocations, and concession may be used to purchase food and/or refreshments to the extent to which such funds have been budgeted.

2. Donated unrestricted funds and funds received as registration fees for continuing education conferences and short courses may be used to purchase food and/or refreshments where provisions have been included in the registration fee.
3. Other locally generated income not restricted to administrative, education and general, research, plant expansion, loan, endowment, and/or scholarship programs may be used to purchase food and/or refreshments.

4. Food purchases for business, conferences, or seminars should be coded as food purchases, expenditure object code 6240.

5. Food purchases for research or teaching (this includes childcare facilities) should be coded as food purchases, expenditure object code 4050.

The P-Card Food Purchase Information Form must be included with any Food Purchase p-card transaction.

See System Policy 34.03 for purchase of alcohol.
PP-440 Purchase of Used or Demo Equipment
Approved June 5, 1996
Revised January 20, 2018
Next Schedule Reviewed: January 20, 2023

1. Purpose

To define the parameters for purchases of used or demo equipment.

2. Scope

This procedure applies University wide.

3. Procedure

3.1 Should it become necessary for a State Agency to secure used or demonstrator equipment or supplies due to inability to secure new equipment, or because of lack of adequate funds, Strategic Sourcing & General Services will give such requisitions consideration only if supported by the following documents and data:

1. Properly prepared requisition fully describing equipment.

2. Signed bid or bids secured by agency, (min. 3) or reason why 3 bids could not be obtained.

3. If only one bid is available, statement sat to why no competition.

4. Letter or signed statement from bidder or bidders guaranteeing quality and condition of merchandise offered.

5. Letter from authorized person connected with the State Agency giving acceptable reasons why it is necessary to purchase used merchandise and the approximate cost of same if purchased new.

6. Letter from an authorized, responsible person connected with the State Agency stating that has personally examined equipment or supplies, and giving his opinion as to condition and value.

7. Letters from two disinterested, reliable, and informed persons in the vicinity where the equipment is located who are familiar with the type of equipment, giving their opinions as to its price, value, and condition.

Strategic Sourcing & General Services defers from procuring used or demo equipment only under the special circumstances listed above and will have the ultimate decision on each request.
PP-450 Lease of Space and Real Property Transactions
Approved June 5, 1996
Revised January 20, 2018
Next Schedule Review: January 20, 2023

1. Purpose

To define the parameters of leasing space and any property transactions

2. Scope

This procedure applies University wide.

3. Procedure

Lease of Space and any Property Transactions

3.1 All lease of space and real property transactions must be submitted to the Department of Strategic Sourcing & General Services. Depending on the type of Lease or Property Transaction, Strategic Sourcing & General Services will work with the System Real Estate Office to determine the appropriate action. See System Policy 41.01 and System Regulation 41.01.01
1. Purpose
To define the parameters for purchasing furniture.

2. Scope
This procedure will apply University wide.

3. Procedure
3.1 The University will make every attempt to procure quality professional furniture for use in all academic and administrative offices. It is the responsibility of the Strategic Sourcing & General Services department to ensure that only institutional grade furnishing be purchased for the University.

3.2 For purchases of all furniture regardless of will utilize the state term contracts, Texas Correctional Industries, Texas Industries for the Blind and Co-op’s.

3.3 Departments are encouraged to meet with Strategic Sourcing & General Services to review the current contracts available for procurement.
**1. Purpose**

To define the parameters of purchasing services.

**2. Scope**

This procedure will apply University wide.

**3. Procedure**

3.1 Services is defined as the furnishing of skilled or unskilled labor or professional work but does not include professional services. Rentals are not considered service unless operator is furnished with equipment. Rentals without an operator are handled as any other purchase of equipment.

**A. AND LOCAL FUNDS**

3.2 For any purchase of services which exceed $5,000.00 per year competitive bidding is required or justification explaining why the service is needed and why it cannot be obtained competitively from more than one source. A bid must be obtained from the sole source if the cost exceeds $5,000.00 per year.

**B. FEDERAL FUNDS**

3.3 The purchase of service with Federal Funds will follow the procedures as for Local Funds. If necessary, agency approval is required by O.M.B. Circular A110, under which TAMUK Federal purchases are regulated and must be obtained by the EndUser.

3.4 Submit requisition fully describing the service(s) needed. Bids will be obtained as required.
1. Procedure

To define the parameters and procedures for use of Private Consultants.

2. Scope

This procedure applies University wide.

3. Procedure

3.1 The procurement procedure for private consulting services are codified in Government Code, Chapter 2254, Subchapter B. The procedure apply to State-Appropriated, Federal and Non-Appropriated funds, including Local funds.

3.2 Private/outside consultants may be used if there is a substantial need and such services cannot be adequately performed by A&M System personnel or through contract with another state agency. Such contracts may be entered into by following normal contracting procedures. (Note: all agreements with Private Consultants must be documented by a formal contract.) See APRM C20 for exemptions, requirements, and procedures related to the contracting process.

3.3 State agencies are exempt from paying Social Security, deducting income tax, reporting earning to the Texas Employment Commission, and providing employee benefits to bona fide independent contractors or outside consultants. However, if an individual is incorrectly classified as an independent contractor, the state agency may be in violation of one or more federal and state laws including the Federal Unemployment Tax Act, the Texas Unemployment Compensation Act, and the Texas Workers’ Compensation Insurance Law.

3.4 Penalties for violating these laws can include payment of back wages plus liquidated damages, court costs and attorney’s fees, declaratory injunctive relief as defined by a court, and other monetary penalties. The U.S. Department of Labor has stressed the following six factors as the criteria to be used in determining whether an individual is an employee or independent contractor: (See Procedure PP-590 for more clarification).

1. The extent to which the services provided are an integral part of the contractor’s business;
2. The permanency of the employment relationship;
3. The amount of the contractor’s investment in facilities and equipment;
4. The nature and degree of control and supervision by the employer;
5. The contractor’s opportunities for profit and loss; and
6. The amount of initiative, judgement, or foresight in open market competition with others required for the success of the claimed independent enterprise.

3.5 If an individual is employed is employed to perform unskilled labor, is paid an hourly rate, and is closely supervised, he/she probably would not meet the test of an independent contractor and, therefore, should be treated as an employee.

3.6 Funds may not be used, regardless of source, to enter into a consultant contract with any individual who is currently employed by an A&M System Member or who has been employed by an A&M System Member within the past 12 months.
3.7 In the event payment is requested to an outside attorney, the invoice must be forwarded to the Office of System General Counsel, accompanied by the current Outside Counsel agreement previously approved by the Attorney General’s office. Please contact System General Counsel for additional information.

**Consulting Contracts Less than $25,000**

Consulting Services under $25,000.00 may be contracted through Strategic Sourcing & General Services. A consultant is one who conducts a study, performs an analysis, and submits a report with recommendations for problem resolution. A contract for Consultant Services must address the following:

1. The parties to the contract.
2. A full description of the matter to be studied (Statement of Work).
3. A full description of the submittals to be provided by consultant.
4. The time table for completion of the project.
5. The amount and schedule of payments to the consultant.

All contracts must be routed according to the rules maintained by General Counsel for review and approval.

Upon establishing a contract with a Consultant, a Purchase Order will be issued to encumber the funds and establish the transaction records.

**Consulting Contracts Greater than $25,000**

Consultant contracts greater than $25,000 require the agency to notify, in writing, the Legislative Budget Board, and the appropriate House Committee and State Committee. The letter must state terms, cost, and recipient of the consultant contract. The voucher must contain this statement:

“This payment complies with Article V Section 71 of the Current General Appropriation Act (S.B. 222).”

The following five oversight requirements must be followed when the entire cost of a consulting services contract exceeds $125,000:

1. Notification
2. 30-Day RFP Publication
3. Finding a Fact
4. 10-Day Selection Publication
5. Final Reporting

Strategic Sourcing & General Services will assist departments in complying with the oversight requirements detailed below.

**1. NOTIFICATION REQUIREMENTS**

Government code, Chapter 2254m Subchapter B states that agencies may use private consultants only if:

(1) there is a substantial need for the services; and

(2) the agency cannot adequately perform the services with its own personnel or through an interagency contract.

The notification requirements are intended to demonstrate compliance with these conditions and other policies of this section.
The Governor’s Budget and Planning Office (GBPO) and the Legislative Budget Board (LBB) must be notified when an agency is planning the use of a consultant. The proof of substantial need is central to GBPO’s fact-finding responsibilities.

2. 30-DAY RFP PUBLICATION

Publication requirements are the responsibility of the Secretary of State’s Texas Register Section. The RFP outlining the consulting services requirements must be published in the Texas Register at least 30 days prior to the award of a contract.

3. FINDING OF FACT

The GBPO will review the consulting services requirements and must certify that the need meets the finding of fact requirements before a contract can be executed.

4. Definitions

4.1 The definitions provided below are those found in statutes which determine the review requirements for consultant contracts.

Consulting Service means the practice of studying and advising a state agency is a manner not involving the traditional employer/employee relationship (Government Code, Section 2254.021). GBPO will review all such contracts over $15,000, except for services specifically exempted.

Professional Services are those services directly related to the professional practices as defined by the Professional Services Procurement Act (Government Code, Section 2254.002). These include services within the scope of practices of: accounting, architecture, optometry, medicine, land surveying, and professional engineering. Services provided by professionals outside the scope of their profession, e.g. management consulting services provided by accounting firms, are not considered professional services for the purposes of this document.

Mixed Services are when a contract involves both consulting services and one or more type of other services, an agency must comply with the consultant services requirements when the primary objective of the contract is the purchase of consulting services. For instance, if a contractor will be required to analyze and prepare a study of an agency’s information systems needs as well as develop and implement a data system, the primary objective of the contract is not the analysis or advice provided, but is the delivery of a data information system. Therefore, the contract is not subject to consultant contract requirements, and the agency must comply with the bid purchasing procedures under Article 60lb, V.A.V.S administered by the General Services Commission.
PP-520 Guest Speaker/Guest Panelist/Lecturer in Higher Education Services
Approved September 1, 2002
Revised January 20, 2018
Next Schedule Review: January 20, 2023

1. Purpose

To define the procedure for acquiring Guest Speakers, Guest Panelists, and Lecturers in Higher Education.

2. Scope

This procedure shall apply University wide.

3. Procedure

3.1 The following procedures shall apply.

A. ALL FUNDS

$5,000.00 and under

No competitive bids or justification are needed. (Be careful, a re-occurring service could total over $5,000.01 per fiscal year, requiring requisition and informal/formal bids.) Prepare a standard contract with the Department Head signature block. Obtain signatures of the Lecturer, Guest Speaker, and the Department Head. Include a description of the work to be performed, the dates of service, and the details of the payment agreement. It is strongly suggested that all contracts be for a lump sum that includes all costs for travel, meals, and lodging. When contract is completed, obtain an invoice or a certification of service from the contractor. Indicate an approval of the invoice and submit it to Accounts Payable for Payment. A Non-Catalog Item Requisition will be transferred to a PO in JavelinaBuy. This requisition is within departmental authority and will not need to route to the Office of SSGS unless specifically instructed for it to.

$5,000.01 to $25,000.00

For the purchase of services from a sole source provider the department shall book guest speaker/guest panelist at agreed upon speaker fee (this fee is to describe as a lump sum fee which includes travel allowance and expenses; no receipts for expenses are required, vendor is a contractor.

Department to submit requisition to Strategic Sourcing & General Services describing services to be provided, date of meeting/seminar, and lump sum fee to be charged.

Attach a sole source justification and any documentation that indicates the agreed upon cost of the services, person contacted and all terms and conditions. Strategic Sourcing
& General Services will check for compliance and will issue purchase order.

For the purchase of services that may be provided by more than one source (Competitive bid) the department will submit to Strategic Sourcing & General Services requisition describing services to be provided, date of meeting/seminar, and travel allowance and expenses. All travel costs to be considered as part of the service.
Include list of suggested sources. Strategic Sourcing & General Services will obtain bids and issue purchase order.

$25,000.01 and more

Submit requisition that fully describes services needed and Suggested source(s) to Strategic Sourcing & General Services. If sole source, attach sole source justification. Bids will be obtained.
1. Purpose

To define employee relationships.

2. Scope

This definition applies University wide.

3. Procedure

3.1 The Internal Revenue code provides that employment taxes are imposed on wages received by employees. The Code defines the term “employee” for FICA purposes as any individual whose employment status meets the common law requirements for an employer-employee relationship. Generally, an employer-employee relationship exists if the person for whom the services are performed has the right to control and direct the individual who performs the services, not only as to the results of the work but also the details and means by which the results are accomplished. It is unnecessary for the employer to actually direct or control the manner which the services are performed; it is sufficient if the employer has the right to do so.

3.2 If an employer-employee relationship exists, the designation of the parties as anything other than that of employer and employee is immaterial. Thus, if that relationship exists, it is of no consequence that the employee is designated as a partner, co-venture, agent, or independent contractor.

3.3 Twenty factors have been identified by the courts in indicating whether sufficient control is present to establish an employer-employee relationship under the common-law rules. The importance of each factor varies depending on the occupation, the factual context in which the services are performed, and even the interpretation of the particular IRS examiner. As expected, the IRS leans toward classifying individuals as employees. Strategic Sourcing & General Services will work directly with Human Resources if additional clarification on a final determination is needed.
Twenty Common-Law Factors (as excerpted from “Current Employment Tax Issues in Higher education”)

A worker will generally be deemed an employee if the individual:

1. Must comply with an employer’s instruction about the work;

2. Receives training from or at the direction of the employer;

3. Provides services that are integrated into the business;

4. Provides services that must be rendered personally;

5. Hires, supervises, and pays assistants for the employer; (An independent contractor usually must have the right to choose whether and who to hire as assistants.)

6. Has a continuing relationship with the employer;

7. Must follow set hours of work;

8. Works full-time for an employer;

9. Does the work on the employer’s premises;

10. Must work in a sequence by the employer;

11. Must submit regular reports to the employer; (If a contract between the employer and an independent contractor specifies that the job must be completed to the satisfaction of the customer, the employer may avoid the need for reports from the independent contractor. Reports are usually indications of employee status.)

12. Receives payments of regular amounts at set intervals; (If the worker is an independent contractor, the contract should call for payment by the job. Payment by the hour, week, or month usually indicates an employer-employee relationship. Additionally, fringe benefits are generally paid by employers to employees.)

13. Receives payments for business or traveling expense;

14. Relies on the employer to furnish tools and materials;

15. Lacks a major investment in facilities used to perform the service; (An independent contractor usually has a significant investment in his/her own business.)

16. Cannot make a profit or suffer a loss from the services; (An indication of independent contractor status is being subject to real risk of economic loss. Thus, independent contractors usually have control over the economic results and contractually agree to bear the risk of loss.)

17. Works for one employer at a time;

18. Does not offer services to the general public; (Any requirement of exclusively detracts from the argument that the worker is an independent contractor. Advertising by the independent contractor that he/she is available to the general public is an indication of the independent contractor status.)

19. Can be fired by the employer; (The general common-law rule is that only employees may be terminated immediately; independent contractors cannot be fired as long as they live up to their contractual obligations.)

20. May quit work at any time without incurring liability. (According to the IRS, only employees may terminate without incurring any liability; independent contractors are contractually bound to complete the specific job.)
1. Purpose

To define the purpose and goals of the program

2. Scope

This section applies to the Procurement Card Program.

3. Procedure

3.1 The University has established a Procurement Card Program for the following reasons:

1. Reduce the administrative cost for processing small dollar transactions.
2. Expedite delivery of small dollar purchases.
1 Purpose

This Rule provides the procedure on Export Controlled purchases.

2 Scope

This Rule applies to all Export Controlled purchases made by the University.

3 Procedure

3.1 Employees making purchases, under department delegation or through Office of Strategic Sourcing & General Services (SSGS), are responsible for ensuring their purchases comply with export control laws and regulations. If TAMUK employees are making international purchases under department delegation, employees should contact their department/college export control delegate to conduct a Restricted Party Screening (RPS) before such purchase. Any international purchase coordinated by SSGS will be forwarded to their export control delegate for export controls screenings. Lastly, the item intended for purchase must be classified prior to purchase.

3.2 For detailed information on Export Controls please contact the Office of Compliance at the following link: http://www.tamuk.edu/compliance/index.html