

**Purchasing Guide for
Texas A&M University-Commerce**



Purchasing & Contract Administration

June 2009

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Introduction

What this Guide will do:

1. Highlight the basic purchasing methods that are used.
2. Identify purchasing authority, funding types, and dollar limitations.
3. Provide cost saving methods through State term contracts, Tex-AN 2000, TDCJ, and TIBH.

This booklet is a supplement to your training and purchasing procedures.

What this Guide will not do:

1. This booklet is not designed to provide a comprehensive guide to purchasing.
2. This booklet will not replace the Texas A&M University System Procurement Code, State of Texas Government Code, or Texas Administrative Code.
3. This booklet will not replace asking questions.

Contact Information:

Purchasing and Contract Information

Bert White, Director – x5059 or Bert.White@tamuc-commerce.edu

Travis A. Ball, Assistant Director & HUB Coordinator – x5060 or Travis.Ball@tamuc-commerce.edu

Carol Dickinson, Senior Buyer – x5220 or Carol.Dickinson@tamuc-commerce.edu

Joe McNair, Buyer – x3056 or Joe.McNair@tamuc-commerce.edu

Cheri Cooper, Administrative Assistant II – x3002 or Cheri.Cooper@tamuc-commerce.edu

Accounts Payable

Ginger Bostick, Accounting Assistant – x5057 or Ginger.Bostick@tamuc-commerce.edu

Sally Silman, Accounting Assistant – x5061 or Sally.Silman@tamuc-commerce.edu

SECTION I

Definitions:

- Award - The act of accepting a bid, thereby forming a contract between the agency and a bidder.
- Purchase Order - A document detailing the specifications, terms and conditions of goods or services being offered for purchase from a supplier.
- Bid - An offer to contract with the agency, submitted in response to a bid invitation issued by the Purchasing Office.
- Bidder - An individual or entity that submits a bid. The term includes anyone acting on behalf of the individual or other entity that submits a bid, such as agents, employees, and representatives.
- Exempt Purchase - A purchase of goods or services that is not subject to the standard competitive process. These items are available only under special market conditions which may preclude them from competitive bidding or from standard bid procedures.
- Formal bid - A written bid submitted in a sealed envelope in accordance with a prescribed format, or an electronic data interchange transmitted to the agency in accordance with procedures established by the agency.
- Informal bid - An unsealed, competitive bid submitted by letter, telephone or other means.
- Purchasing Process - The development of specifications, receipt and processing of requisitions, review of specifications, advertising for bids, bid evaluation, award of contracts, and inspection of merchandise received. The term does not include invoice, audit, or contract administration functions.
- Request for proposal - A written request for offers concerning goods or services the agency intends to acquire by means of the competitive sealed proposal procedure.
- Purchase requisition - An initiating request from a department describing needs and requesting the Purchasing Office to purchase goods or services to satisfy those needs.
- Spot purchase - The acquisition of a good or service within the delegated limit where one price is quoted from one vendor and additional quotes/prices or participation of vendors is not sought.
- Unauthorized Purchase (After-the-Fact) - A purchase that has been made without prior issuance of an approved purchase order or use of a purchasing card, and then, an attempt is made to initiate a purchase order after-the-fact in order to pay the supplier invoice.
- Vendor - A supplier of goods or services to the state.

Type of funds:

With the exception of HEF funds, there are three main funding types at the University. The State only audits State funds. The other funding types are audited by the University and the Texas A&M University System. It is the responsibility of the departments to insure that the purchasing rules are followed as it relates to the delegated dollar limits. The three main types of funding with account identification are as follows:

<u>Funding Type</u>	<u>Account Identification</u>
State Funds	1xxxxx
Local Funds	2xxxxx, 3xxxxx, 4xxxxx, 6xxxxx, 8xxxxx, and 9xxxxx
Federal Funds	4xxxxx

Purchasing Authority & Dollar Limitations:

\$0 to \$3,000 – Departments are authorized to make purchases between the specific dollar limit (including freight charges). A departmental purchase order number shall be issued by the department to the vendor (either a limited or an exempt purchase order number). Departments are responsible to follow State, System, and University purchasing procedures.

Exceptions to Departmental Delegated Authority

The following types of purchases must be processed using a requisition and forwarded to Purchasing for processing, as authority has not been delegated to departments, and cannot be purchased using a Limited Purchase Order or Procurement Card, unless approved otherwise by the Purchasing Department.

- All Software and Major Hardware Purchases (approval on a case-by-case basis)
- All Telecommunication Purchases
- All Capitalized or Controlled Items
- All State Term Contract Purchases
- All Furniture Purchases
- All TIBH set-aside purchases, ex. nameplates, furniture, etc.
- All Printing greater than \$3000.00

Departments are required to verify the Taxpayer status of the supplier prior to doing business with that supplier and retain evidence of verification in the department.

Departments are asked that clear specifications accompany the requisition when routed to the Purchasing Department.

\$0 to \$5,000 – Purchasing Staff “No-Bid” limit. At this dollar range, the purchasing staff is not required to take bids on products or services. But, as a normal practice, obtaining competitive quotes always ensures the “Best Value”.

\$5,000 to \$25,000 – Departments are not authorized to purchase goods or services within the stated dollar limit regardless of funds. Departments are to forward requisitions (R#) to Purchasing for processing prior to the purchase of the goods or services.

- Departments are asked that clear specifications accompany the requisition when routed to the Purchasing Department.
- Departments should recommend vendors to Purchasing. Input the recommendation(s) on screen 250. The Purchasing Department will then solicit vendors through the bid process. Purchasing will notify the department of the bid results.
- A vendor will be selected and a purchase order will be issued.
- If the item can only be purchased from a single vendor, set the sole source flag (screen 250) and complete the sole source questions (screen 253). A sole source letter should be provided by the vendor to ensure this is the correct solicitation method.

To expedite the purchase of goods or services, departments may utilize the following procedures.

- Faxed quotes from the vendor are required and can be obtained by the department but the HUB requirements should be met. Sufficient time should be given for vendor responses. A quick response, however, will insure quick processing time by the Purchasing department.
- Quotes should be labeled with the R# and sent to Purchasing, either via fax (5039) or e-mail.
- The department shall not enter into an agreement with the vendor, i.e. purchase the item without a purchase order issued by the Purchasing Department.

Over \$25,000 – Departments are not authorized to purchase within the stated dollar limit. Expenditures within the stated dollar limit require the solicitation of formal bids and listing on the Electronic State Business Daily (ESBD). All requisitions totaling \$25,000.00 or more must be sent to Purchasing for processing. The departments should provide a list of suggested vendors (screen 250). Formal bid invitations will be sent to vendors by Purchasing. The standard solicitation and vendor response time for formal bid invitations is 14 business days unless the Historically Underutilized Sub-contracting Plan is required, which can take up to 25 business days. After such time, Purchasing will notify the department of the bid results. A vendor will be selected and a purchase order will be issued. The entire process can take between 6-8 weeks.

Important

Under no circumstances shall any employee of the University authorize a purchase without a formal means of order placement. An order is official when an employee pays with his/her ProCard, issues a Limited Purchase Order or a Signed Purchase Order is faxed to the vendor, by means of an approved requisition.

After-the-Fact Purchases

An After-the-Fact (ATF) purchase occurs when a department makes a purchase before a purchase order number is issued or procurement card is used. For example, authorizing a vendor to begin work before the Purchasing Department or Bookkeeper issues a purchase order, even though the department has submitted a requisition, is an AFT. Similarly, obtaining goods or services on credit and subsequently submitting the invoice with a payment voucher is an AFT, unless it is a purchase specifically allowed to be paid by payment voucher. All ATFs, regardless of the dollar amount, presents problems for the Purchasing Department, Accounts Payable, vendors, and end-users. In many cases, these transactions:

- Place the Texas A&M University-Commerce at financial and credit risk and result in higher than necessary cost paid for products and services
- Create unnecessary administrative effort
- Bypass State of Texas encumbrance requirement
- Violate procurement rules and procedures
- Result in supplier contracts with unfavorable terms and conditions signed by unauthorized A&M-Commerce personnel.

ATF Procedures:

1. When an ATF purchase has been identified, the Purchasing Department shall complete a Non-Compliant Purchase Requisition Letter with all supporting documentation attached (i.e. invoices) and forwarded to the Department Head for review.
2. The Department Head shall review the purchase and complete the Non-Compliant Purchase Requisition Letter, which shall include a detailed statement explaining the circumstances surrounding the purchase, what corrective steps have taken to avoid repetition of the problem, and any corrective action with the responsible account manager or employee.
3. The Department Head shall return the completed Non-Compliant Purchase Requisition Letter to the Assistant Director who shall review for approval or denial. If approved, the invoice will be processed according to standard procedures. If denied, one or more of the following actions may be taken:
 - Return of the item(s);
 - Responsible person paying for the difference of item(s) if found to be cheaper by the Purchasing Department; or
 - Responsible person paying for the item(s).

ATF Actions:

1. First offense results in a written warning via the Non-Compliant Purchase Requisition Letter.
2. Second offense results in a verbal warning via a meeting with the non-complying department.
3. Third offense results in disciplinary actions including removal of delegation of authority, official reprimand, or termination

Emergency Purchases

An emergency purchase is defined as "a purchase of goods or services so badly needed that [the institution/agency] will suffer financial or operational damage unless they are secured immediately."

When possible, contact the Procurement Office prior to acquiring the goods or services. If the situation allows, informal bids will be taken. Department should submit a requisition after the order has been placed and include a letter of justification that must:

- State the reason for the emergency purchase by explaining what the emergency is and what caused the emergency situation.
- State the financial or operational damage that will occur if needs are not satisfied immediately; and
- State why the needs were not or could not be anticipated so that the items could have been purchased through regular procurement procedures.

Contracts:

Contracts - Contracts for Services are to be routed to the Contract Administrator **prior** to execution of the contract. The State of Texas requires the review and approval of contractual service by the Contract Administrator when the service exceeds \$3,000.00. The Contract Administrator will review the contract for compliance to State statutes and System policies. If issues are found, the Contract Administrator will contact the provider to rectify any issues with the contract. If no issues are found, the contract will be executed and forwarded to the provider and University Accounts Payable. If you would like a signed copy of the contract for your department: Submit three (3) copies of the contract (*1 original and 2 Xeroxed copies*). The Contract Administrator is the **only** person delegated to sign contracts for services for the University in the \$3,000.00 to \$100,000.00 range. The standard services contract can be found on the Purchasing and Contract Administration web page.

Writing Specifications:

1. State the commodity class and item number if applicable.
2. State the product or service to be purchased.
3. Describe in simple, concise, and clear language what is required or desired of the product or service, i.e., performance specifications.
4. Describe what the successful bidder must furnish.
5. Identify the minimum requirements of the end user.
6. Allow competition.
7. Provide for verification (testing) - a reasonable means to determine whether minimum requirements are met.
8. When possible, identify some commercially available brand and make or model number or some standard specifications; e.g., State of Texas specifications.
9. Be fair to bidders.
10. If a service, state the period of service and the method of payment.

Characteristics of an Effective Specification:

- **SIMPLE:** Avoid unnecessary detail, but be complete enough to ensure that requirements will satisfy their intended purpose.
- **CLEAR:** Use terminology that is understandable to the Agency and bidders. Use correct spelling and appropriate sentence structure to eliminate confusion. Avoid legalese type language and jargon whenever possible.
- **ACCURATE:** Use units of measure that is compatible with industry standards. All quantities and packing requirements should be clearly identified.
- **COMPETITIVE:** Identify at least two commercially available brands, makes, or models (whenever possible) that will satisfy the intended purpose. Avoid unneeded "extras" that could reduce or eliminate competition and increase costs.
- **FLEXIBLE:** Avoid totally inflexible specifications which prevent the acceptance of a bid that could offer greater performance for fewer dollars. Use approximate values such as dimensions, weight, speed, etc. (whenever possible) if they will satisfy the intended purpose. If approximate dimensions are used, it should be within a 10% rule of thumb unless otherwise stated in IFB.

Awards:

The purchase of goods and/or services will be awarded in accordance with Texas Education Code 51.9335, "Best Value Criteria". The following is a list of best value criteria:

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 institution 's needs;
5. The vendor 's past relationship with the institution;
6. The impact on the ability of the institution 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 institution 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 institution provides written justification in the request for bids for use of the unique material specified.

When considering an award, the following options are available:

- AWARD - A bidder is selected which meets **all** the specifications of the bid with the lowest price.
- NO AWARD - A no award is based on (1) no bidders responded to bid request; (2) no bidders met the specifications of the bid; or (3) Agency decides it does not wish to make an award due to (a) budgetary constraints or (b) change in Agency requirements.
- RE-AWARD - An award may be made to the next lowest bidder meeting the specifications if the original vendor cannot meet the conditions of the purchase order, or permission is granted to cancel the purchase order.

SECTION II

Special Purchases – TIBH & TDCJ

***Texas Council for Purchasing from People with Disabilities (currently TIBH)**

The Texas Council for Purchasing from People with Disabilities is a State Use Program. Commodity items and services are offered by the Texas Industries for the Blind & Handicapped (TIBH). The purpose of this activity is to encourage and assist disabled persons to achieve maximum personal independence by engaging in useful and productive activities. Please note the following:

- If a product is approved, there is no requirement for competitive bidding and the product is put on a Comptroller of Public Accounts (TPASS) term contract.
- Purchases of services do not require competitive bidding.
- State Agencies utilizing temporary services contracts must award as the primary vendor, TIBH. When TIBH cannot provide the temporary personnel requested, documentation to the file is required and then you may utilize your secondary (third etc.) vendor.
- This is the only set-aside that the State of Texas has, if the commodity or service is available from TIBH we are required to purchase from this Agency.

***Texas Department of Criminal Justice (TDCJ) / Institutional Division**

TDCJ provides items such as name plates, furniture, and printing. Competitive bidding is not required for items purchased from TDCJ. In order to use this procedure, the following steps are to be taken:

- <http://www.tci.tdcj.state.tx.us/>
- Create a requisition including the information obtained from TDCJ / TCI and route it to Purchasing.
- Purchasing will process the requisition and issue a purchase order.

*Note: State agencies are required to purchase items from TIBH as these goods and/or services are deemed State Set-Aside. Contact Purchasing for more information and items that are considered State Set-Aside. Goods and services provided by TDCJ are not a set aside but are considered a preferred vendor and must be used unless justified.

Printing / Copying

University Procedures For Procuring Printing and Copying

As it applies to State purchasing, printing is a means of word processing or graphic reproduction of paper documents using a printing press. Printing is a service and the authority to procure it is delegated to agencies for competitive purchases. However, printing requires special treatment because there are many options for acquiring this service.

At Texas A&M University-Commerce all printing, regardless of dollar value, shall run through the University's on-site Print Shop. If the Print Shop can provide the services requested, regardless of price, services shall be purchased directly from them.

If it is determined that the work cannot be feasibly accomplished internally, the Print Shop will secure printing of the job in accordance with State Purchasing Guidelines and best practices via the competitive-bid process. Procurement from an outside source will include the client and Print Shop working together to provide the following:

- A detailed SOW (Statement of Work) to cover all aspects of the job.
- Receiving an estimate of the purchase price.
- Setting an acceptable delivery date.

Incidental Copying

Incidental copying is copying and document productions within a quantity limit and job specification that does not reasonably require the Digital Copy Centre or high-volume duplication equipment or services. In other words, incidental copying is the day-to-day production and copying of documents using available PC printers and office copy machines.

Incidental copying may be purchased from an outside source, only if an employee is in a situation that limits them from using University copiers.

Quick Copy Centers

The needs of some agencies make it necessary for them to maintain a Quick Copy Center. A Quick Copy Center is a centralized, agency-maintained printing location for quickly producing certain types of high-volume duplicates.

The on-site Quick Copy Center is the Digital Copy Centre which is located on the first floor of the Student Center.

Term Contract

The Comptroller of Public Accounts TPASS Division establishes term contracts by commodity or service codes as a supply source for State agencies. Contracts are based on estimated quantities and may be ordered as needed regardless of funds. Term contract was setup by the State of Texas to offer goods or services to State agencies at a discounted price.

There are two basic ways to search term contract for a specific items.

1. If you know the commodity code (a code assigned by the State that identifies an item), go to: http://www.window.state.tx.us/procurement/cat_page/ . This page will bring up the categories of items that can be purchased from term contract. For example: copy paper is 645-A1.
2. If you do not know the commodity code, go to: http://www.window.state.tx.us/procurement/cat_page/ . Type in the item needed and tap search. You will see different categories that might have the item needed.

Confirmation Orders

A contract vendor may choose to accept phone orders before receiving the actual written order. Because this is not a requirement in the terms, it is strictly the vendors' decision to accept a phone order or not. Telephone ordering on term contract items should be used only in special cases and should not become a standard procedure.

If the vendor accepts the phone order, first obtain an order number from Purchasing, and second put that number on the requisition and forward it to Purchasing for processing. The number insures that the order will not be duplicated. Be sure to note "**Confirmation Order - Do Not Duplicate**" on your requisition and indicated the date the order was placed. The date is critical as it determines the price that will be used. If you fail to do this, the vendor may ship the order a second time when the written order is received and your department will be liable for payment of the duplicate order or the restocking fees charged for returning it.

If you have any questions relative to Term Contract, please contact Joe McNair (3056).

Procurement Card Program Guide

I. OVERVIEW

A. Procurement Card Program:

The Procurement Card (ProCard) program is a fast, flexible purchasing method for processing delegated orders from suppliers that accept credit cards. The purpose of the Procurement Card program is to establish a more efficient, cost-effective method for procurement and payment of delegated purchasing transactions. If used to its potential, the program will result in a significant reduction in the data entry of small orders including receiving entries, invoices and vouchers. A related reduction in documentation of invoices and production of checks will be realized. The Procurement Card can be used with any supplier that accepts JP Morgan Chase Credit Card as a form of payment.

The ProCard program is designed to delegate the authority and capability to purchase limited items directly to the person to whom it most matters - YOU, the user. The ProCard will enable you to purchase under your delegated authority non-restricted commodities directly from the vendors without the issuance of a purchase order.

B. Procurement Card Contract:

The terms and conditions of the Procurement Card contract were specified and awarded by the Comptroller of Public Accounts TPASS Division for the State of Texas. Texas A&M-Commerce is utilizing the State of Texas contract for Procurement Card services with JP Morgan Chase. Texas A&M University-Commerce will comply with the terms and conditions of the State contract in the implementation of this program.

C. Procurement Card Program Guide:

The Procurement Card Program Guide provides the guidelines for using the Procurement Card. Please read it carefully. Your signature on the Cardholder Procurement Card Agreement shows that you understand the intent of the program and agree to follow the established guidelines.

D. Important Points of the Program:

The following important points should be reviewed before using the Procurement Card:

- Your Procurement Card is issued in your name. All purchases made on the Procurement Card must be only *yours*. You are responsible for the security of the Procurement Card and the transactions made with it. If you do not follow guidelines when using the Procurement Card, you could receive corrective action, including termination.
- You can use the Procurement Card with any vendor that accepts JP Morgan Chase and is not on the restricted list. It may be used for in-store purchases, mail, and telephone or fax orders.
- You may use the Procurement Card to purchase supplies within your delegated limits.
- Use must not exceed the monthly credit limit assigned to the Procurement Card (\$20,000.00).
- Reconciliation of the statement received from JP Morgan Chase to ensure all charges are accurate is required. Statement reconciliation needs to be completed within seven days of receipt of the statement.
- The Procurement Card is not intended to avoid or bypass appropriate purchasing or payment procedures. This program compliments the existing processes available.
- The Procurement Card is not for personal use.
- **The Procurement Card must be returned to the Program Coordinator upon your transfer or termination.**

II. GENERAL INFORMATION

Duties and Responsibilities:

1. Program Administrator:

The Program Administrator was designated by Texas A&M University-Commerce for questions, issues and administration of the program. The Administrator is knowledgeable on all procedures in the Procurement Card Program Guide. All Procurement Card requests must go through the Program Administrator.

Texas A&M University-Commerce Program Administrator:

Bert White
903-886-5059
Bert_White@tamu-commerce.edu

2. Program Coordinator:

The Program Coordinator is charged with keeping documentation for the Procurement Card activities within Texas A&M University-Commerce. The Coordinator is knowledgeable about the program, the guidelines and related forms. Cardholders shall first contact the Coordinator, who will answer questions in regards to the program or potential problems. The Coordinator may refer questions to the Program Administrator when necessary.

Texas A&M University-Commerce Program Coordinator:

Travis A. Ball
903-886-5060
Travis_Ball@tamu-commerce.edu

3. Account Manager (departmental):

The account manager, or designee, is responsible for approving monthly Procurement Card statements of cardholders to ensure they are within policy. The Account Manager may also assist in assigning cardholder limits and regulations.

4. Cardholder:

The person designated by the Account Manager to utilize the Procurement Card by purchasing small dollar supplies is the cardholder. The cardholder is responsible for following the purchasing guidelines of Texas A&M University-Commerce in regards to purchases, selection of vendors, security of card and monthly reconciliation.

To apply for Procurement Card go to:

<http://www.tamu-commerce.edu/purchasing/proCard.html>

TEX-AN 2000

The Telecommunications Services Division (TSD) of the Department of Information Resources (DIR) is the State organization tasked with providing telecommunications services for all Texas State agencies. State agencies, including institutions of higher education, are required to use the services provided in the consolidated network, TEX-AN 2000.

For more information about TEX-AN 2000 see:

<http://www.dir.state.tx.us/tex-an/index.htm>

The following services are provided under TEX-AN 2000:

- Local and Long Distance Voice Services
- Data Services
- Wireless/Cellular Services
- Pager Services
- Calling Cards

To start a new telecommunication service on campus or at one of the off-site locations or convert existing services to TEX-AN 2000, please contact CTIS at 468-6000.

Collegiate Licensing

Texas A&M University-Commerce has a contract with Strategic Marketing Affiliates (SMA) to manage the rights and the use of our name and official logo. Vendors can utilize the name and official logo on their products only by entering into a **License Agreement** with the SMA and will be designated as a **licensed vendor**.

Ordering:

- 1) The department will work with the **licensed** vendor of their choice to determine the product(s) to be ordered and the artwork to be used. A listing of licensed vendors can be obtained from the Collegiate Licensing homepage: <http://www7.tamu-commerce.edu/collegiatelicensing/>

The contact information for Strategic Marketing Affiliates is listed below:

Strategic Marketing Affiliates
Pan American Plaza
201 South Capitol
Suite 520
Indianapolis, IN 46225

Phone: 317-829-5690
Fax: 317-829-5696

Website: www.smaworks.com/
Questions for SMA: [questions@smaworks.com/](mailto:questions@smaworks.com)

Artwork submitted by a non-licensed vendor will be rejected until the vendor becomes licensed.

- 2) The department will submit proposed artwork to the Department of Marketing Communications for approval **prior to** submitting the requisition to Purchasing. A copy of the artwork will be returned to the department after approval/rejection.
 - a) If rejected, suggested revisions are to be corrected by the department and artwork will be resubmitted for approval.
 - b) If approved, a copy of the artwork is to be labeled with the Requisition number (R#) and submitted to Purchasing for further processing. Requisitions should provide a complete description of how the logo is to be used (example: Texas A&M University-Commerce logo appears on the front of baseball cap). Requisitions should note “approved vendor” or “waiver from Marketing Communications granted”.

Questions regarding the above may be referred to Christan Hilbrand @ 5128 or Randy Jolly @ 8175.

Exempt Purchases

The Purchasing Department has determined that the following goods services are exempt from the standard procurement process regardless of dollar amounts.

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

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: expenses related to the rental of hotel rooms and conference rooms (does not include hotel rooms for programs and conferences that are regularly scheduled throughout the year, for example, a department that hosts seminars/workshops throughout the year and is responsible for making lodging accommodations for the participants is not exempt if the projected costs of the rooms exceed \$5,000).

Moving Expenses:(employee) institutional funds only

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

Legislative information services: bill analysis services

Membership fees and dues

Newspaper and magazine subscriptions direct from the publisher

Freight

Postage

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

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

Insurance Premiums

Purchases from Federal Agencies

Utilities

Purchase of Livestock

Catering Services (On-Campus Food Services Vendor)

SECTION III

The HUB Program:

In accordance with the Texas Government Code, state agencies **shall make** a good faith effort to utilize Historically Underutilized Businesses (HUBs) in contracts for construction, services, including professional and consulting services, and commodity contracts.

Historically Underutilized Businesses are classified as corporations, sole proprietorships, partnerships, or joint ventures in which at least 51% of the business is owned, operated, and actively controlled/managed by a minority or woman. To be identified as a HUB vendor in the State of Texas, a qualified vendor must be HUB Certified with the State. The State of Texas classifies such businesses as:

- Woman-Owned, Female - WO/F
- Hispanic-Owned, Male - HI/M
- Hispanic-Owned, Female - HI/F
- Black-Owned, Male - BL/M
- Black-Owned, Female - BL/F
- Asian-Owned, Male - AS/M
- Asian-Owned, Female - AS/F
- American Indian-Owned, Male - AI/M
- American Indian-Owned, Female - AI/F

HUB Program Mission: To encourage and effectively promote the utilization of Historically Underutilized Businesses (HUBs) by all state agencies, and to promote full and equal business opportunities for all businesses in state contracting in accordance with the goals specified in the State of Texas Disparity Study. The goals and categories are as follows:

- 11.9% for heavy construction other than building contracts;
- 26.1% for all building construction, including general contractors and operative builder's contracts;
- 57.2% for all special trade construction contracts;
- 20% for professional services contracts;
- 33% for all other services contracts; and
- 12.6% for commodities contracts.

Texas A&M University-Commerce HUB Program

It is the goal of Texas A&M University-Commerce to involve qualified Historically Underutilized Businesses (HUBs) in the procurement of goods and/or services by creating an environment of inclusion in construction contracts, subcontracting opportunities, professional services, leases, rental and purchase of all supplies, materials, services, and equipment.

The Purchasing Department is responsible for assisting administrative staff and departments in fulfilling their obligations to comply with State laws, System policies, regulations, and initiatives governing the A&M System HUB Program.

Taxpayer Search and Requirement

Texas A&M University-Commerce, an entity supported by the State of Texas, is bound by its rules and regulations. Under Section 2155.004, "Certain Bids and Contracts Prohibited" of the Texas State Government Code, the Comptroller's Office has required that all vendors, regardless of type of funds or purchase amount (over \$150), be checked prior to bid or purchase to see if the vendor has paid their State sales and franchise taxes and are compliant with Texas Family Law. When purchasing goods or services, each department is required to search the Taxpayer and Vendor Account database with the Comptroller's Office. The University should not conduct business with a vendor until it is in good standing under State tax law with the Comptroller's Office. Failure to comply may result in delayed or withheld payments.

For questions about sales tax issues, the Comptroller's phone number is 1-800-252-5555.
For questions about franchise tax and Family Law issues, the Comptroller's phone number is 1-800-252-1381.

To search the Taxpayer and Vendor Account web page:

1. Access the Comptroller's Office web page (<https://cpafmprd.cpa.state.tx.us/tpis/search.html>).
2. Enter Business Name.
3. Click on the search button.
4. Check to see if vendor is in good standing and not on vendor hold.
5. Print the page and retain it in department for audit documentation.

Federal Debarment:

A State Agency using Federal funds or grants must check to see if the solicited vendor is in good standing with the Federal Government prior to the purchase of the goods and/or services.

To search the Federal Debarment web page:

1. Access the government web page <https://www.epls.gov/>
2. Enter the vendor's full business name.
3. Click on the search button.
4. If the vendor appears, then our Agency cannot do business with that vendor. If the search does not find the vendor, print the page and attached it to departmental documentation.

State Debarment:

State Agencies using State funds or grants must check to see that the solicited vendor is not debarred prior to the purchase of the goods and/or services.

To search the State Debarment web page:

1. Access the government web page http://www.cpa.state.tx.us/procurement/prog/vendor_performance/debarred/
2. View the vendor's names.
3. If the vendor appears, then the Agency cannot do business with that vendor. If the search does not find the vendor, print the page and attached it to the departmental documentation.

Prompt Payment Requirements

The following is to inform you of the Prompt Payment law currently in effect.

Invoice payments are due by the 30th calendar day after the latest of the following:

- The day the Agency received the goods;
- The day the vendor completed performing its services for the Agency; or
- The day the Agency received the invoice for the goods or services.

The Comptroller's Office and the University automatically compute and pay interest owed to vendors for late payments processed through FAMIS.

If Accounts Payable does not mail or electronically transmit a payment to a vendor or the vendor's financial institution by the applicable due date, the Agency is liable to the vendor for interest, in compliance with the following provisions:

- Beginning on the day after the payment is due, interest* accrues on the unpaid balance at the rate of 1.0% per month. The interest ceases to accrue on the date the State Agency mails or electronically transmits the payment to the vendor or the vendor's financial institution.

It is imperative that invoices received by departments are processed immediately for payment. It is also imperative that Accounts Payable receives notification from your office of receipt of goods and/or services by means of the On-Line Department Receiving Report as soon as goods and/or services are received.

If you have questions relative to the above information do not hesitate to contact Beverly Graves at X5213.

***Interest will automatically be included to the vendor for all payments. This applies to State and local accounts. Interest will be charged to the account that paid the principle.**

Sole Source vs. Proprietary Justification

The purchase of goods and service that are considered sole source must be accompanied by documentation. To determine the difference between sole source and proprietary apply the following definition:

1. If a purchase request describes a product via brand name, such as Sony or Pioneer, than the product is **not** sole source. Department will be expected to follow purchasing guidelines in Section I.
2. If a purchase request describes a product that is unique to one vendor, is a restricted purchase and does not permit an equivalent product to be supplied, than the product is sole source. The Purchasing Department requires the requesting department to justify in writing the specifications or conditions. The written justification* must include: the need for the product; reason(s) competing products are not satisfactory; and provide other information necessary for approval.

When a product is sole source, the following procedure is to be followed:

1. Determine type of funds being used.
2. Complete a sole source justification* (see pages 25 & 26 for examples)
3. **Submit letter to Director of Purchasing and Contract Administration with department requisition.
4. **Director of Purchasing and Contract Administration will review justification and either approve or deny reasoning.
5. Once documentation is received and approved, a purchase order will be processed.

*FAMIS On-Line Purchasing for on-line requisitions (purchases \$3000.00 and above) requires sole source information. Departments should indicate sole source justification by typing a "Y" on screen 250 in the Sole Source Field. The department must address the sole source requirements on screen 253 by answering the justification questions to the best of their ability.

**Completing the Sole Source Justification screen (#253) in FAMIS is sufficient documentation to preclude submitting a sole source letter to the Director of Purchasing and Contract Administration.

Ethics

The Purchasing Office has delegated the authority to departments to make purchases of goods and services up to \$3,000 (including freight and/or postage) unless the purchase is on the exception list. All employees making purchases under this delegated purchasing authority shall adhere to the Texas A&M University System Ethics Policy and the NAEP Code of Ethics endorsed by Texas A&M University-Commerce.

NAEP Code of Ethics

- Give first consideration to the objectives and policies of my institution.
- Strive to obtain the maximum value for each dollar of expenditure.
- Decline personal gifts or gratuities.

Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit.

- Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
- Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
- Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.
- Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration or other authorized third party review, insofar as the established policies of my institution permit.
- Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
- Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods.
- Foster fair, ethical and legal trade practices.

Conflict of Interest

No employee, employee family member or appointee of Texas A&M University-Commerce shall have any interest in, or in any manner be connected with, any contract or bid for furnishing supplies, materials, services, and equipment of any kind to any agency of the State of Texas.

Neither shall any member or employee, employee family member or appointee, under penalty of dismissal, accept or receive from any person, firm, or corporation to whom any contract may be awarded, directly or indirectly, by rebate, gift, or otherwise, any money or other thing of value whatever, nor shall any employee receive any promise, obligation, or contract for future reward or compensation from any such party.

Section IV

Example – Sole Source State Funds

MEMORANDUM

(DATE)

TO: Purchasing & Contract Administration

FROM: (Account Manager) (Signature of Account Manager)

SUBJECT: Purchase Requisition No. _____
 For the purchase of _____
 _____.

We request exemption for the following reasons:

These high-resolution television sets will be used to communicate with students, faculty and staff regarding important events occurring on campus. The Panasonic CT-27G5 is the only acceptable set because the resolution of the set enables the viewer to see the images on the screen in very bright environments as well as very dim settings where viewing a normal television set would not be practical. Additionally, time is of the essence and delivery within one week is imperative.

In searching for vendors for these television sets we reviewed the Texas State Term Contract listing. In our review of the listed televisions we did not find a set with the resolution, delivery and warranty we desired. We did however, find that Sears of Greenville, Texas did indeed have the set we desired and is able to deliver the sets in one week.

Based upon my research the only acceptable television set is the Panasonic CT-27G5 from Sears of Greenville Texas.

Your approval to complete the purchase of the aforementioned televisions sets is respectfully requested.

APPROVED:

 Travis A. Ball, CTPM
 Assistant Director of Purchasing
 & Contract Administration
 Texas A&M University-Commerce

Example – Sole Source Local Funds

MEMORANDUM

(DATE)

TO: Purchasing & Contract Administration

FROM: (Account Manager) (Signature of Account Manager)

SUBJECT: Purchase Requisition No. _____
For the purchase of _____
_____.

This pressure chamber will be used to evaluate plant moisture status throughout the growing season. The WEB model 600 is needed because the chamber is enclosed in a dust-proof case.

This particular chamber is needed because it will be used in the field and is the only one designed for field research. The only additional pressure chamber available is marketed by Cara Co. The Cara Co unit is designed strictly for laboratory research and is not enclosed in a dust-proof case. Therefore, the accuracy of the machine would be questionable after daily exposure to external environmental conditions. The WEB model 600 is entirely appropriate for our area of agronomic research.

Based upon my research, the only chamber available which meets field requirements for our research is the WEB model 600.

Your approval to complete the requested purchase is respectfully requested.

APPROVED:

Travis A. Ball, CTPM
Assistant Director of Purchasing
& Contract Administration
Texas A&M University-Commerce

Example of the Unauthorized (After-the-Fact) Purchase Documentation

Tuesday, June 16, 2009

MEMORANDUM

TO: [NAME]
[DEPARTMENT]

SUBJECT: Non-Compliant Purchase Requisition

Purchase requisition [NUMBER] for [BREIF DESCRIPTION OF PURCHASE] has been referred to my attention due to non-compliance with the following purchasing guideline:

- Purchases in excess of \$3,000 must be submitted through Purchasing and Contract Administration prior to the placement of an order and/or delivery of the goods/services.

AN IMMEDIATE RESPONSE IS REQUESTED, AS PAYMENT TO THE VENDOR HAS BEEN DELAYED!

Explanation for the unauthorized purchase:

Explain the steps to be taken to avoid non-compliance in the future:

Signed By: (Must be Department Head or Account Manager)

Typed or Printed Name:

Upon receipt of this signed letter to my office, I will authorize the processing of this non-compliant requisition as an exception with the stipulation that all future purchase requisitions will be made in accordance with State and University requirements. You are requested to support and ensure that such action is taken. Please be advised that Purchasing and Contract Administration will be keeping a log of all such non-compliant purchase requisitions; and that continuation of such non-compliance may result in a limitation of purchasing capabilities.

We appreciate your support in this matter.

Travis A. Ball
Assistant Director
Purchasing and Contract Administration

cc: Bert White