25.07.03.L1.01 Purchasing Procedures

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Standard Administrative Procedure Statement

This SAP establishes written procedures for the purchase of goods and services in accordance with Texas Education Code 51.9335 and Texas A&M System Regulation 25.07.03, Acquisition of Goods and/or Services.

Definitions

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


Procedures and Responsibilities

Responsibilities:
1. General
   1.1 University employees involved in the procurement of goods and services have a responsibility to adhere to Texas procurement laws, Texas A&M University System (TAMUS) policies and regulations and TAMIU rules and SAPs. This responsibility requires a thorough knowledge of The State of Texas Procurement Manual and the Texas A&M University System Disbursement of Funds Guidelines, as well as, the TAMIU procurement procedures.
   1.2 All procurement shall be based on a “best value” and shall encompass the following: purchase price; reputation of the vendor and of the vendor’s goods or services; quality of the vendor’s goods or services; extent to which the goods or services meet the University’s needs; the vendor’s past performance with the University; impact on the ability of the University to comply with laws and rules relating to Historically Underutilized Business (HUBs) and to the procurement of goods and services from persons with disabilities; total cost of ownership to the University of acquiring vendor’s goods and services; use of material in construction or repair to real property that is not
proprietary to a single vendor, unless the University provides a written justification in the request for bids of the unique material specified; and any other relevant factor that a private business entity would consider in selecting a vendor.

1.3 It is the responsibility of the Purchasing Department staff to provide support to University departments by purchasing requested goods and services in the most efficient manner and at the best value to the University.

1.4 All purchases must comply with the University’s purchasing procedures. Each purchase must be fully documented, with all documents retained in accordance with the University’s records retention schedule.

1.5 Purchases requiring a written contract, other than the University's standard purchase order, must be in compliance with the provisions of System Policy 25.07: Contract Administration, and System Regulation 25.07.01: Contract Administration Procedures and Delegation.

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

2. Purchasing Methods

2.1 **ProCard** – The Purchasing Card (ProCard) is a fast, flexible purchasing method for processing non-restricted commodity purchases from suppliers that accept credit cards. This purchasing option establishes a more efficient, cost-effective method of facilitating the delegated purchasing and payments for small dollar transactions. Employees are restricted to a $5,000.00 monthly spending limit and a $5,000.00 single vendor/transaction limit. Refer to the Purchasing Card Program Guidelines for more detailed information.

2.2 **Limited Document Purchases** – Limited document (L doc) purchases are used solely to process a payment for under $5,000.00 and to eliminate the issuance of a purchase order, resulting in a more timely payment. L docs should be used for payment of subscriptions for which a renewal has been received, FedEx or postage invoices, payment of services for which an invoice has already been received, car or bus rentals, hotel direct bill charges, and employee reimbursements as long as the payments are under $5,000.00. L doc purchases should not be used for purchases over $5,000.00, memberships and dues that require additional signatures, purchases of goods which circumvent existing procedures, and the purchase of any equipment.

3. **Purchases Processed through the Purchasing Department**

3.1 All purchases in excess of the authorized departmental purchase limit of $5,000.00 and those purchases considered restricted under ProCard and L doc procedures shall be submitted as a requisition to the Purchasing Department. Departments may recommend a vendor for the purchase, but the Department of Purchasing will solicit either informal or formal bids, issue a request for proposal, utilize HUB, TIBH, or other State contracts, and make the final award decision.
3.2 Bidding of Goods and Services
3.2.1 $0.01 - $5,000.00 – Purchases below this amount do not require bids.
3.2.2 $5,000.001 - $25,000.00 – Purchases require an Informal Bid which is a minimum of three quotes with at least two from HUB vendors. These bids may be requested and sent via fax or email.
3.2.3 Over $25,000.01 – Purchases require a Formal Bid which is a minimum of three written bids, at least two of which must come from HUB vendors.

4. Emergency Purchases
4.1 An emergency purchase is defined as a purchase of goods or services that, if not secured immediately, will result in financial loss or operational damage to the department. Departments shall contact the Purchasing Department for assistance in handling emergency purchases. If the emergency occurs after normal business hours, department shall notify the Purchasing Department the next business workday.
4.2 A written emergency justification is required for this type of purchase. While bids are not required, departments are encouraged to obtain bids if at all possible.

5. Purchase of Specific Goods or Services
5.1 Rental of Machines and Equipment
Rental of machines and equipment not including an operator is considered a purchase of goods. Rentals that include an operator provided by the supplier are considered services. All rentals must be processed through the Department of Purchasing prior to the date of required use.
5.2 Information Technology Hardware, Software, and Services
The University’s Office of Information and Technology must approve the purchase, lease, or other acquisitions of any information technology-related hardware, software, and services before the acquisition can be made by the Department of Purchasing. All software with a cost in excess of $100,000.00 is classified as capital equipment per the State of Texas GASB 51 and must be inventoried. All purchase requisitions shall be sent to the Department of Purchasing for processing.
5.3 Lease of Space
All lease-of-space requests for the University, regardless of amount, must be submitted to the Department of Purchasing for processing. Requests must include a purchase requisition and specific lease information.
5.4 Use of Private Consultants
Consulting services shall be submitted to the Department of Purchasing for processing. Consulting services requisitions will be processed in accordance with System Regulation 25.99.03 Contracting for External Consultants and Professional Services.

6. Exempt Purchases
6.1 The following services are exempt from competitive bidding requirements, regardless of dollar amount:
6.1.1 Classified Advertisement: 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.
6.1.2 Conference Expenses: Expenses related to conference room services such as audio/visual/network and food services. This exemption does not include goods purchased for attendees or transportation services.

6.1.3 Moving Expenses: Expenses related to the relocation of a newly hired employee using institutional funds only.

6.1.4 Lecturers/Guest Speakers/Entertainers: Fees for speakers/lecturers hired on a one-time basis. This exemption does not include fees for speakers/lecturers on a continuous basis.

6.1.5 Student Travel: Expenses related to student travel with the exception of air and bus charter.

6.1.6 Library Materials: Expenses related to materials for a library operated as part of a university system or institution of higher education.

6.1.7 Legislative Information Services: Expenses for bill analysis services

6.1.8 Membership fees and dues

6.1.9 Newspaper and magazine subscriptions direct from the publisher

6.1.10 Freight

6.1.11 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 Associate Vice President for Administration.

6.1.12 Intra-agency payments

6.1.13 Registration fees and associated books and materials

6.1.14 Rental of exhibit space (such as booths for display purpose)

6.1.15 Goods and services provided by the Texas Department of Criminal Justice

6.1.16 Goods and services provided by TIBH

6.1.17 Internal repairs

6.1.18 Purchases from Federal agencies

6.1.19 Utilities (including telecommunications long distance & monthly charges)

6.1.20 Artists (Painters, Sculptors, Compositions, Performers)

6.1.21 Group Purchasing Programs (Co-Op)

6.1.22 Performing Artists (Music, Entertainment)

6.1.23 Purchases from GSA Contracts

6.1.24 Purchases from Department of Information Resources (DIR)

6.1.25 Works of Art

6.1.26 Hotels and Conference rooms

6.1.27 Postage

6.1.28 Software

6.1.29 Employee and prospective employee travel

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**Related Statutes, Policies, Regulations, Rules or Requirements**

- Texas Education Code, 51.9335
- System Policy 07.01 Ethics
- System Policy 25.07 Contract Administration
System Regulation 25.07.03 Acquisition of Goods and Services
System Regulation 25.99.03 Contracting for External Consultants and Professional Services
System Policy 25.06 Participation by Historically Underutilized Business

Contact Office

For clarification or interpretation, contact the Office of Purchasing and Support Services.