TEXAS A&M **INTERNATIONAL** UNIVERSITY

Standard Administrative Procedure (SAP)

25.07.03.L0.01 Purchasing Procedures

First Approved:	**June 25, 2013**
Revised:	**March 31, 2016**
	February 7, 2019
	January 26, 2022
	January 30, 2024
	October 9, 2024
	March 24, 2026
Next Scheduled Review:	**March 24, 2031**

Procedure Statement and Reason for Procedure

The purpose of this SAP is to establish written procedures for the purchase of goods and services in accordance with Texas Education Code 51.9335, which provides a general description of the requirements for the acquisition of goods and services by institutions of higher education, and System Regulation 25.07.03, *Acquisition of Goods and/or Services*.

Procedures and Responsibilities

1. GENERAL

1.1 Texas A&M International University (TAMIU) employees involved in the procurement of goods and services have a responsibility to adhere to Texas procurement laws, Texas A&M University System (System) policies and regulations, and TAMIU rules and SAP's. 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. All employees involved in the procurement of goods and services shall adhere to System Policy 07.01, *Ethics*.

1.2 All procurement shall be based on a "best value" and shall encompass the following: purchase price; the reputation of the vendor and the vendor's goods or services; quality of the vendor's goods or services; the extent to which the goods or services meet TAMIU's needs; the vendor's past performance with TAMIU; impact on the ability of TAMIU to comply with laws and rules relating to Veteran-Owned Historically Underutilized Business (VetHUBs) and the procurement of goods and services from persons with disabilities; total cost of ownership to TAMIU 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 TAMIU 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 Office staff to provide support to TAMIU departments by purchasing requested goods and services in the most efficient manner and at the best value to TAMIU while providing equal opportunity and access to all vendors for the purchases of goods and services.

1.4 All purchases must comply with TAMIU's purchasing procedures and must be fully documented, with all documents retained in accordance with the System's records retention schedule.

1.5 Purchases may not be separated into smaller dollar acquisitions to remain within the dollar limit allowed by the specific delegated authority. If the purchase(s) that should be combined into a single acquisition is separated and exceeds the dollar limit allowed by the delegated authority, the department shall receive a memo of non-compliance. The circumstances and actions to be taken to avoid a recurrence must be explained. The Director of Purchasing has the authority to approve non-compliant payments to vendors within his/her authority. Non-compliant payments above the Director of Purchasing's authority must be reviewed and approved by the Vice President for Finance and Administration or designee.

1.6 Purchases requiring a written contract, other than TAMIU's standard purchase order, must comply with the provisions of System Policy 25.07, *Contract Administration* and System Regulation 25.07.01, *Contract Administration, Delegations, and Reporting*.

1.7 Departments should work under the assumption that no item is truly a proprietary purchase, as a unique or proprietary brand or model, in and of itself, does not qualify as a sole source.

1.8 TAMIU is prohibited from contracting with an institution or third-party servicer that has been terminated under Section 432 of the HEA for a reason involving the acquisition, use, or expenditure of Federal, State, or local government funds or that has been administratively or judicially determined to have committed fraud or any other material violation of law involving Federal, State, or local government funds; or contracting with or employing any individual, agency, or organization that has been, or whose officers or employees have been, convicted of, or pled *nolo contendere* or guilty, to a crime involving the acquisition, use, or expenditure of Federal, State, or local government funds or administratively or judicially determined to have committed fraud or any other material violation of law involving Federal, State, or local government funds. The Purchasing Office includes attestation/self-reporting language in RFP/RFQ documents, contract agreements and addendums, and standard purchase orders.

1.9 The Purchasing Director will make the final decision, including the procurement method, in the award of any contract once evaluated and deemed the best value for TAMIU.

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 delegated purchasing and payments for small dollar transactions. All purchasing guidelines must be adhered to when placing orders with the ProCard.

Employees are restricted to a $5,000 monthly spending limit and a $5,000 single vendor/transaction limit. The single transaction limit can be increased with prior approval from the Director of Purchasing. Refer to the Purchasing Card Program Guide for more detailed information.

2.2 **Non-PO Invoices** – Non-PO Invoices are used solely to process allowable payments under $25,000 and to eliminate the issuance of a purchase order, resulting in a more timely payment.

Non-PO Invoices should be used for payment of subscriptions for which a renewal has been received, FedEx or postage invoices, car rentals, hotel direct bill charges, payments to the campus dining services provider, and approved employee reimbursements as long as the payments are under $25,000.

Non-PO Invoices should never be used for paying over $25,000, for memberships and/or dues that require additional signatures, for purchases of goods that circumvent existing procedures, or for the purchase of any equipment.

3. PURCHASES PROCESSED THROUGH THE PURCHASING OFFICE

3.1 All purchases for goods to be received and services to be performed must be submitted by means of a requisition. Purchases in excess of the authorized departmental purchase limit of $25,000 and those purchases considered restricted under ProCard and Non-PO Invoices shall be submitted as a requisition to the Purchasing Office. Departments may recommend a vendor for purchases, but the Purchasing Office will solicit either informal or formal bids; issue a request for proposal; utilize VetHUBs, cooperative contracts, or other State contracts; and make the final award decision as deemed to be best value to TAMIU.

3.2 Bidding of Goods and Services

3.2.1 **$0.01 - $25,000** – Purchases within this range do not require bids.

3.2.2 **$25,000.01 - $50,000** – Purchases within this range require an informal bid, which is a minimum of three bids, at least two of which must be requested from VetHUB vendors. These bids may be requested and submitted via fax or email.

3.2.3 **$50,000.01 and greater** – Purchases within this range require a formal bid which is a minimum of three written bids, at least two of which must be requested from VetHUB 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 TAMIU. Departments shall contact the Purchasing Office for assistance in handling emergency purchases. If the emergency occurs after normal business hours, the department shall notify the Purchasing Office the next business workday.

4.2 A written emergency justification is required for this type of purchase. Three informal bids must be obtained, except in cases where securing bids would significantly impede the process of remedying the emergency.

5. PURCHASE OF SPECIFIC GOODS OR SERVICES

5.1 All requests for the performance of a service must be submitted by means of a requisition to the Purchasing Office. Once all documentation and requirements are met, the Purchasing Office will issue a purchase order to the vendor.

5.2 **Rental of Machines and Equipment** – Rental of machines and equipment, not including an operator, is considered a purchase/acquisition of goods. Rentals that include an operator provided by the vendor are considered services. All rentals must be processed through the Purchasing Office prior to the date of required or desired use.

5.3 **Information Technology Hardware, Software, and Services** – The TAMIU Office of Information Technology must approve the purchase, lease, or other acquisition of any

information technology-related hardware, software, and services before the acquisition can be made by the Purchasing Office.

All software with a cost in excess of $100,000 is classified as capital equipment as per the State of Texas GASB 51 and must be inventoried. All purchase requisitions shall be sent to the Purchasing Office for processing.

5.4 **Lease of Space** – All lease-of-space requests for TAMIU, regardless of amount, must be submitted to the Purchasing Office for processing. Requests must include a purchase requisition and specific lease information. When a contract is requested by the vendor, the contract document must be routed for review and approval.

5.5 **Use of Private Consultants** – Consulting services shall be submitted to the Purchasing Office for review and processing.

6. EXEMPT PURCHASES

The following services are exempt from competitive bidding requirements, regardless of dollar amount:

6.1 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.
6.2 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.
6.3 Gas Cylinder Use and Rental
6.4 Direct Publications
6.5 Educational/Training Services
6.6 Moving Expenses for Newly Hired Employees
6.7 Lecturers/Guest Speakers/Entertainers – Fees for speakers/lecturers hired on a one-time basis.
6.8 Student Travel – Expenses related to student travel with the exception of air and bus charter.
6.9 Legal Services
6.10 Library Materials – Expenses related to materials for a library operated as part of a university system or institution of higher education.
6.11 Legislative Information Services – Expenses for bill analysis services.
6.12 Membership Fees and Dues
6.13 Newspaper and Magazine Subscriptions Direct From the Publisher
6.14 Freight/Delivery Services
6.15 Services Provided by Other State of Texas Agencies, System Components, or By Other Local Governments
6.16 Registration Fees and Associated Books and Materials
6.17 Rental of Exhibit Space (such as booths for display purposes)
6.18 Goods and Services Provided by the Texas Department of Criminal Justice
6.19 Goods and Services provided by TIBH

6.20 Internal Repairs
6.21 Insurance Premiums
6.22 Grant Payments
6.23 Purchases from Federal Agencies
6.24 Utilities (including telecommunications long distance & monthly charges)
6.25 Artists (painters, sculptors, compositions, performers)
6.26 Group Purchasing Programs (Co-Ops)
6.27 Performing Artists (music, entertainment)
6.28 Purchases from GSA Contracts
6.29 Purchases from the Department of Information Resources (DIR)
6.30 Works of Art
6.31 Hotel and Conference Rooms
6.32 Postage
6.33 Software
6.34 Employee and Prospective Employee Travel
6.35 Accreditation Services
6.36 Officiating
6.37 Medical Doctor Services
6.38 Purchases made from Institutions of Higher Education
6.39 Items for resale
6.40 Participant Costs
6.41 Sub-awards (contracts and grants only)

Related Statutes, Policies, Regulations, or Rules

Texas Education Code, Section 51.9335
System Policy 07.01, *Ethics*
System Policy 25.06, *Participation by Historically Underutilized Business*
System Policy 25.07, *Contract Administration*
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.

Historically Underutilized Business (HUB) – Refer to the definition in Texas Government Code 2161.

Contact Office

Office of Purchasing and Contract Administration, 956-326-2351