

PURCHASING

Rules and Regulations

What does Purchasing do?

- Handles Procurement Card Program
- Handles Historically Underutilized Business Program and Reporting
- Handles Government “Set-Aside” Program (TIBH)
- Handles use of State Contracts
- Reviews ALL Contracts
- Handles ALL Purchasing

PURCHASING AUTHORITY

- Delegated to Dr. Watts by Board of Regents
- Dr. Watts then delegates to the Purchasing Director and Buyers

<http://www.utsystem.edu/sites/utsfiles/offices/board-of-regents/rules-regulations/10501.pdf>

SOURCES OF FUNDS

- **ALL** funding (including Grants) is subject to the State of Texas Purchasing Policies and Procedures

Historically Underutilized Business

- The State of Texas and the University encourages the use of Historically Underutilized Businesses (Minority, women-owned, and veteran)
- Check with the Purchasing Office for information on HUBs available for use in our area.
- Encouraged for purchases done on procard also.

Contracts

All contracts and agreements ***Must*** be reviewed by Ynes Alderson and signed by the VPBA

- Delegated authority to sign contracts rests with VPBA
- Rights of the State of Texas cannot be signed away
- For your own protection
- Office of General Counsel

Purchasing Office

- **Only** Department That Has Delegated Authority to Purchase by President
- Must be trained and certified by State of Texas in order to Purchase for University
- Must renew certification every 5 years

Purchasing Office

DOES NOT –

- Handle **payment** of purchase order (Accounts Payable)
- Handle checks (Account Payable)
- Handle Travel (VPBA)
- Set up Vendors (Accounting)

Purchasing Process

Step One: Departments Should

- Initiate Requisition – *request* for purchase
- Requisition must be filled out completely-complete description, date needed, attach all backup (See example in packet)
- Requisition must be signed by account budget head and have funds in cost center
- Department should check with vendor for pricing and availability (obtain a quote)
- Department **CANNOT** place order (Reference Non-Compliance Information)
- Check to see if vendor is on hold with the State of Texas.
<https://fmcpa.cpa.state.tx.us/tpis/search.html>

Purchasing Process

Step One: Departments Should

Requisitions requiring special handling (before sending to Purchasing)

- All requests for computers/software/computer components must be approved by IRD
- All printing is handled by Publications
- All Logo approvals is handled by Shawna Buckley
- All furniture orders should include delivery and installation and must be approved by Physical Plant – Phillip (Dino), 552-2761
- Any equipment requiring modification of facilities must be approved by Physical Plant – Phillip (Dino), 552-2761

Purchasing Process

Department Documentation Required

- All Food Purchases must have an official occasion expense form attached. (See example in packet)
- All Professional Services (lecturers, judges, etc.) must have an Authorization for Professional Services attached. Must be signed by all needed signatures. (See example in packet)
- All Performers fees must have a reviewed and signed contract attached. (Reviewed by Purchasing, signed by VPBA)
- Sole Source/Proprietary Purchase/Emergency – Must have Justification attached
- All forms can be found at the Purchasing website
<http://www.utpb.edu/services/business-affairs/purchasing/related-websites>

Purchasing Process Emergencies

An emergency purchase is defined as *"the purchase of supplies or services which are so badly needed that the department will suffer financial or operational damage if...not secured immediately."* Carelessness or negligence on the part of the agency and/or its employees can cause emergencies. Such cases are subject to question, review, and possible rejection by Purchasing Office. Contact the Purchasing Office for detailed information on how to proceed in cases of emergency.

Purchasing Process: Sole Source/Proprietary Purchase

- Any purchase over \$15,000.00
- Requires justification
 - ✓ Identify unique features of product
 - ✓ Explain need for unique features
 - ✓ Explain why competition not acceptable
 - ✓ Form available on Purchasing website

<http://www.utpb.edu/services/business-affairs/purchasing/related-websites>

Purchasing Process

Step Two

Send Requisition to Purchasing Office

- Purchasing Office will determine type of purchasing method to use.
- Purchase will be based on description on requisition – **must be complete. See example of requisition in packet.**
- Purchasing Office may change vendor

Purchasing Methods

Purchasing determines purchasing method

- Small or Spot Purchase (>\$15,000)-department gets pricing from vendor
- Informal Bid (\$15,000-\$50,000)-must have 3 bids, purchasing must do
- Formal Bid (\$50,000-1M)-must have multiple bids including Electronic State Business Daily, purchasing must do.
- Invitation to Bid – handled by purchasing
- Request for Proposal – handled by purchasing

Purchasing Method

Further Considerations

- Are HUB vendors available
- Can purchase be done on Procard
- Can purchase be done through T.I.B.H. (Texas Institute for the Blind and Handicapped)
- Can purchase be done on State Contract
- Is purchase sole source/proprietary
- Is purchase an emergency

Small or Spot Purchase

- 75% of all purchases
- Under \$15,000
- Encouraged to use procurement card for purchases under \$100
- Department supplies requisition with suggested vendor and price

Informal Bid

- Purchase value of \$15,000 to \$50,000
- Department determines need and supplies specifications
- Department generates requisition with suggested vendor and price
- Purchasing Department must obtain three (3) bids – (1) woman-owned business, (1) ethnic owned business, (1) general business
- Process takes 3-10 days

Formal Bid

- Purchase value of \$50,000-\$1M
- Department determines need and supplies specifications
- Department generates requisition with suggested vendor and price
- Purchasing Department must obtain three (3) or more bids from vendors on the Centralized Master Bidders List with the State of Texas
- Purchases over \$50,000 must be posted on Texas Marketplace
- Process takes 14-21 days

Types of Formal Bids

➤ ***Invitation to Bid***

Used for closed specifications

Preparation time – up to 30 days

➤ ***Request for Proposal***

Used with open specifications

Preparation time – up to 6 months

Purchasing Process

Step Three

When Purchase Order has been issued.

- The Department will handle any question and/or problems with Vendor.
- In-user cannot change a purchase order it is a contract if there is any changes you must contact Purchasing.
- All items purchased on Purchase Order **will be** received by Central Receiving.
- **NO exceptions**

Receiving

- All Purchases will be received by Central Receiving.
- Any discrepancies/problems will be reported to Central Receiving immediately.
- It is the responsibility of the Department and Central Receiving to work out any problems with your Buyer

Receiving

➤ COPY – The copy of the requisition will be returned to department when purchase is for service (advertising, repairs, registrations, etc). Must be signed and returned to Purchasing AFTER completion

Payment

Once items are received correct and complete

- The Central Receiving will mark complete.
- Purchase Order will be sent to Accounts Payable in Accounting for payment processing.
- Purchasing **does not** handle payments or checks. Contact the Accounting Department for information on these.

NON-COMPLIANCE – WHAT IS IT???

- Obligating University funds without the authority to do so.
- Telling vendor to ship product before sending requisition to Purchasing.
- Telling vendor to deliver product directly to department instead of central stores.
- Doing requisition after receipt of product.
- Telling vendor to ship product and send invoice directly to you.
- Waiting to do requisition until you have received invoice.
- Promising a vendor that they will get the order.

Non-compliance

If purchase is non-compliant

- University is not obligated to accept order/services
- University is not obligated to pay for order/services
- University can make payment the responsibility of person who ordered items
- Payment process is lengthened

Procurement Card Program

- Not a form of purchasing but of payment
- Budget head/designee must request card in writing
- Restricted
 - \$250/per transaction; \$500/per month
 - Not for travel, food or florists
- Restrictions may be modified based on need
- Some items will never be unrestricted
 - Example: Guns/ammunition, cash advances, etc

State Term Contracts

Contracts available for use by State agencies.

<http://www.txsmartbuy.com/contracts>

T.I.B.H

- Mandated by State of Texas
- Must use if offers what you need
- Exceptions allowed
- Catalog online - <http://tibh.org/catalog/index.php>

NEED MORE INFORMATION

- Check out the [Purchasing website](#) and the [Requester's Center](#) for more detailed instructions and FAQ's
- Purchasing Checklist in your packet
- Legal Resource Manual in your packet
<http://www.utsystem.edu/ogc/pc/>
click on Legal Resource Manual on right side