25.07.03.E0.01  Procurement Procedures

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Supplements System Policy 23.02, Policy 25.06, Policy 25.07, Regulation 25.07.03 and Regulation 41.01.01

Standard Administrative Procedure Summary
This procedure is developed to provide structure and form to the procurement process for the Texas A&M Engineering Experiment Station (TEES) and to comply with Texas Education Code 51.9335 and System Regulation 25.07.03. The Texas Education Code 51.9335 provides a general description of the requirements for the acquisition of goods and services by institutions of higher education and this procedure provides guidelines to minimize risks associated with the procurement of goods and services and allow TEES to carry out its fiduciary responsibilities.

Procedures and Responsibilities

1. GENERAL

1.1 All purchases made using funds paid through TEES accounts must comply with these procedures. Purchases must be fully documented with all documents retained in accordance with the System records retention schedule.

Classification of Purchases Authorities

There are three types of purchasing authorities:
(1) purchases processed directly through and by TEES Procurement Office;
(2) purchases delegated to TEES departments/centers with a stated dollar amount of $10,000 or less; and
(3) exempt purchases.
Purchases requiring a written contract, other than the TEES 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.

1.2 Purchases Over $10,000

Purchases over $10,000 made pursuant to a restricted gift, contract or grant shall be procured through a process that is based on best value as described in Section 1.3 below and within the procurement requirements as outlined in sponsor or donor restrictions and regulations.

1.3 All purchases shall be based on a “best value” and shall consider: list 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 agency’s needs; the vendor’s past performance with TEES; impact on the ability of TEES to comply with laws and rules relating to Historically Underutilized Businesses (HUBs) and to the procurement of goods and services from persons with disabilities; total long-term cost to TEES 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 TEES 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.

1.4 Proprietary purchase requisitions, those that can only be purchased from a single source, must be properly justified, in writing, before TEES Procurement may process the requisition. All proprietary purchase requisitions are reviewed for appropriate justification.

2. PURCHASE OF GOODS OR COMMODITIES

2.1 Purchases of 10,000 or less

Departments are encouraged to obtain multiple bids whenever possible. TEES Procurement has delegated authority to departments to make purchases of goods and commodities without competitive bid for $10,000 or less (including freight and/or postage).

2.1.1 All employees making purchases under delegated purchasing authority shall adhere to the System Ethics Policy 07.01.
2.1.2 Purchases of $10,000 or less require proper documentation as provided in TEES guidelines (e.g. disbursement of funds, payment card).

2.1.3 Purchases may not be separated into smaller dollar purchases in order to remain within the authorized dollar limit.

2.1.4 In the event a purchase or series of purchases (that appropriately should have been combined into a single purchase) are made exceeding the $10,000 delegated authority, the division shall submit a non-compliant confirming requisition. In addition, a form completed by the division head explaining the circumstances surrounding the non-compliant purchase and actions to be taken to avoid a reoccurrence shall be sent to the TEES Controller. Any employee responsible for non-compliant purchases will face the following administrative actions:

- **First violation:** The person responsible for making the non-compliant purchase will be assigned "TEES Disbursement of Funds" training to be completed within 30 calendar days. If the training is not completed within 30 calendar days, the expenditure will be transferred to a non-sponsored project.
- **Second violation:** Purchase will not be allowed on a sponsored project.

2.1.5 Departments shall provide equal opportunity and access to all vendors for the purchase of goods and commodities. TEES Procurement will assist in identifying HUBs for such purchases.

2.1.6 Departments shall purchase goods, whenever possible, from persons with disabilities (Texas Industries for the Blind and Handicapped (TIBH)). TEES Procurement will provide a list of TIBH contracts. TIBH contracts may be viewed [here](#).

2.1.7 The State of Texas has awarded contracts that are available for use by all state agencies. Information regarding what types of goods or commodities is available on state contracts may be found [here](#). Departments are highly encouraged to review and utilize the state contracts whenever possible. Texas A&M University administers many system-wide blanket-pricing contracts.
2.2 All purchases in excess of the authorized division purchase limit shall be submitted as a requisition to TEES Procurement. Upon receipt of the purchase requisition, TEES Procurement will determine the appropriate method of procurement and process accordingly.

3. PURCHASE OF SERVICES

3.1 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; or (3) service of a public utility.

3.2 If a service will be required and rendered throughout the fiscal year, with an estimated cumulative value that exceeds $10,000, a requisition must be forwarded to TEES Procurement.

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

3.2.2 If the service can only be provided by a sole source provider, the requisitioner must indicate on the requisition that the desired purchase is a proprietary purchase and complete the online justification.

4. EMERGENCY PURCHASES

4.1 An emergency purchase is defined as a purchase of goods or services that if not secured immediately, TEES will suffer financial or operational damage. In the case of an emergency, departments must notify TEES Procurement immediately. If the emergency happens after normal business hours, the division shall notify TEES Procurement on the next business workday.

4.1.1 A written emergency justification is required.

4.1.2 Three informal bids must be obtained except when securing bids would significantly impede the process of completing the purchase.
5. PURCHASE OF SPECIFIC GOODS OR SERVICES

5.1 Computers and Computer Software
TEES strongly encourages the utilizing of HUB vendors for computers and computer related equipment. All software with a cost in excess of $100,000 is classified as capital equipment and must be inventoried. All purchase requisitions over $10,000 for software shall be sent to TEES Procurement for processing. Software with a cost not exceeding $10,000 and requiring the execution of a third-party contractor license must be submitted to the TEES Procurement prior to any commitment for the purchase of the software. Division heads are authorized to purchase software costing $10,000 or less when no contract is required, such as off-the-shelf and shrink-wrapped software.

5.2 Rental of Machines and General Equipment Rental
Rental of machines and equipment that do not include an operator are considered goods. Rentals that include an operator provided by the supplier are considered services.

All rentals in excess of $10,000 must be processed through TEES Procurement prior to the date of required use. For rentals with an estimated value less than $10,000, the division may purchase the services using their delegated authority though all contracts must be routed to the TEES Procurement prior to execution.

5.3 Use of Private Consultant
Consulting shall be processed as any other service as defined in Section 3 above. Consulting services in excess of delegated authority shall be requisitioned through TEES Procurement.

5.4 Lease of Space
All lease-of-space requests for TEES, regardless of the amount, must be submitted to TEES Procurement for processing. Requests must include a purchase requisition and specific lease information.

5.5 Lease/Purchase or Installment Payment Purchase
Requests for all lease-purchases or installment payment purchases, regardless of the amount, shall be submitted to TEES Procurement for processing.

5.6 Exempt Purchases
The following services are exempt from competitive bidding requirements, may be purchased by departments regardless of dollar amount, and when applicable must still follow contract
administration procedures and TEES Director's Delegation of Authority:

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

5.6.2 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)

5.6.3 Hotels and Conference Rooms: expenses related to the rental of hotel rooms and conference rooms

5.6.4 Moving Expenses: (employee) institutional funds only

5.6.5 Lecturers/Guest Speakers/Entertainers: fees for speakers/lecturers/entertainers hired on a one-time basis (does not include fees for speakers/lecturers on a continuous basis with an estimated value that exceeds $10,000)

5.6.6 Student Travel: expenses related to student travel with the exception of air and bus charter

5.6.7 Research collaborators named in sponsored agreements

5.6.8 Employee training

5.6.9 Membership fees and dues

5.6.10 Newspaper and magazine subscriptions direct from the publisher

5.6.11 Freight

5.6.12 Services provided by other State of Texas agencies, TAMUS members or by other local governments (Inter-agency and Inter-local agreements must be reviewed by the TEES Contracting Officer)

5.6.13 Registration fees and associated books and materials
5.6.14 Rental of exhibit space (booths for display purposes)

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

5.6.16 Goods and services provided by the Texas Industries for the Blind and Handicapped

5.6.17 Internal repairs & maintenance agreements by original manufacturer

5.6.18 Purchases from federal agencies

5.6.19 Utilities

5.6.20 Direct publications (books, software etc.)

5.6.21 Participant Costs: such as travel, conferences, room and board, materials. However, the exemption does not include promotional items/gifts to participants.

5.6.22 Stipends and visiting scholar payments

5.6.23 Legislative information services; bill analysis services

6. PURCHASE OF EQUIPMENT WITH FEDERAL FUNDS

6.1 Where appropriate, an analysis of lease and purchase alternatives shall be made by TEES Procurement to determine the most economical and practical procurement utilizing Federal funds in excess of $10,000.

6.2 TEES shall, on request, make available for the Federal awarding agency, pre-award review and procurement documents, such as request for proposals or invitation for bids, independent cost estimates, etc.

6.3 Debarment and Suspension (E.O.s 12549 and 12689) - No contract shall be made to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension." This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority
other than E.O. 12549. Contractors with awards that exceed the small purchase threshold shall provide the required certification regarding its exclusion status and that of its principal employees.

Related Statutes, Policies, or Requirements

Policy 23.02, Debt Management
Policy 25.06, Participation by Historically Underutilized Business
Policy 25.07, Contract Administration
Regulation 25.07.03, Acquisition of Goods and/or Services
Regulation 41.01.01, Real Property
Texas Government Code, Chapter 2254, Subchapters A and B
Debarment and Suspension Executive Orders 12549 and 12689

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