

Texas A&M University-Kingsville

Procurement Manual



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Welcome to Texas A&M University-Kingsville Office of Procurement and Travel Services. This manual has been prepared in an effort to inform you of our organization and our procedures in processing purchases. Procurement and Travel Services is responsible for the purchasing of supplies, equipment and services necessary for the operation of the University.

As an agency of the State of Texas, we are bound by the laws of the State of Texas and the policies of the Texas A&M University System. We subscribe to the Code of Ethics as outlined by The Texas A&M University System, the National Association of Educational Buyers, the State of Texas, the National Association of Purchasing Management, and the National Institute of Governmental Purchasing.

Within Procurement and Travel Services, there are three functional divisions to service your total procurement needs. The Procurement Division is responsible for the purchase of capital equipment, services and consumables. The Contract Administration Division is responsible for ensuring contract management and compliance and the Central Receiving Division receives and redistributes inbound freight for the University and participates in the Shred, Electronic Recycling and Surplus Programs. Communication is a key factor in the purchasing process. We want to do all we can to help you obtain your equipment and supplies as needed.

Please feel free to call on us anytime you have questions or comments at 361-593-3814 or by email: procurement@tamuk.edu

1. Purpose

To establish uniform procedures for the periodic review on the adoption of new procurement procedures and/or revision of current policies in regards to the procurement of materials and services that are consistent with the policies of the University.

2. Scope

These procedures apply to all procurement procedures dealing with materials and service procurements and related activities.

3. Procedure

3.1 Procurement and Travel Services is responsible for the concise creation of a procurement manual with specific directives to provide operational details on purchasing requirements.

3.2 The Procurement and Travel Services Executive Director is responsible for the periodic review of the procurement manual and the adoption or new procedures and/or the revision of current procedures.

3.3 Each procurement procedure must be reviewed at least every five years. All procedures are subject to review at any time and may be revised as needed.

3.4 The template system will be as follows:

- PP – Procurement procedure
 - Approved – Initial approval date
 - Revised Date – Each revised date will be listed
 - Next Schedule Review – Next schedule review date i.e. reviewed at least every five years
 - Purpose – Purpose of the procedure for a given process
 - Scope – Scope of the procedure
 - Procedure – Information provided to complete a procedure
-

1. Purpose

To establish uniform procedures for the procurement of materials and services that are consistent with the policies of the University.

2. Scope

These procedures apply to all materials, service procurements, and related activities.

3. Procedure

3.1 It is the individual responsibility of each employee involved in the procurement process to understand the policies upon which these procedures are based, and the meaning and intent of the procedures themselves.

3.2 If there are any questions or concerns relative to either the policies or procedures, or the ability of the employee to respond effectively to the requirements of the procedures, then it is the responsibility of the employee to bring such matters to the attention of the Executive Director of Procurement and Travel Services immediately.

3.3 The fundamental purpose of these procedures is not to restrict the effectiveness of the individuals involved in procurement, but to provide a foundation for effective, consistent and complete consideration of all aspects of the task with the expected result being a positive, professional relationship between the employees of the University and the suppliers who serve the University.

3.4 Departments are encouraged to anticipate needs. Contact Procurement and Travel Services as early as possible when needs are determined. Early involvement of Procurement and Travel Services enhances the timely delivery of services and equipment. Procurement and Travel Services will research possible suppliers, assist department in evaluating supplies and equipment, and develop specification that meet the University's requirements.

3.5 The University assumes no liability for any order until it has been reviewed and signed by a member of Procurement and Travel Services authorized to act as an agent of the University.

3.6 By State Law, whenever possible purchases are based on competitive bids. All bids must comply with current state regulations. A separate, sequential, and/or component purchase ordered or purchased with the intent of avoiding the competitive bidding and competitive proposal requirements; from the same supplier, by the same office/employee, department are treated as if they are of a single purchase and of a single contract. No officer/employee shall intentionally or knowingly make or authorize separate, sequential or component purchases to avoid the competitive bid requirements. Purchases may not be broken down into small purchases in order to meet the specified dollar limit.

3.7 All purchases, except departmental authorized purchases, are to be originated by completing a department requisition. Procurement and Travel Services will handle the transaction from this point forward including the solicitation of bids, evaluation of bids and selection of suppliers. Upon receipt of a properly completed Departmental Requisition, Procurement and Travel Services classifies the transaction on the requisition and processes it accordingly.

3.7.1 The Departments have some limited authorizations to procure goods and services. Each individual must be thoroughly aware of the limits of these authorities. Failure to abide by the rules and procedures may result in personal liability for unapproved procurements. An Exception Letter (non-compliance) may be issued to the responsible party with their supervisor carbon copied and the responsible party is to follow up in response to the Exception Letter no later than 30 days after the Exception Letter is issued. Failure to comply with these rules may result in the responsible party's purchasing authority revoked.

3.8 Procurement and Travel Services Mission: The overall mission of Procurement and Travel Services is to procure all goods and services, and dispose of surplus property in support of the Mission of the University. A continuing goal is to procure material and service requirements in a timely manner at the lowest competitive price while adhering to all statutory, regulatory, and administrative rules.

3.9 Procurement and Travel Services will provide the following:

- 3.9.1 *Ensure* the uninterrupted flow of production by obtaining and ensuring delivery of acceptable quality of goods and services, at the right time and price.
- 3.9.2 *Develop* reliable alternate sources of supply to meet University requirements.
- 3.9.3 *Treat* all prices and technical information submitted by suppliers as confidential in order to preserve a good business reputation and obtain competitive prices.
- 3.9.4 *Comply* in all respects, with the antitrust laws, and with all other applicable laws without qualification or evasion.
- 3.9.5 *Purchase* material and service for the University's use at the maximum end-use value per dollar spent.
- 3.9.6 *Resolve* complaints on all purchased goods and services.
- 3.9.7 *Provide* leadership in the standardization of materials, supplies, service and procedures.
- 3.9.8 *Provide* leadership for the management of inventories of purchased goods to meet the use requirements of the University's department at the lowest possible cost.
- 3.9.9 *Dispose* of, to the best advantage, all material and equipment declared to be surplus or obsolete.

4. Operational Systems and Training for Procurement

4.1 E-Procurement - JavelinaBuy. This is the same AggieBuy E-Procurement System implemented to a majority of the system members.

4.1.1 Training Materials are located at the following site: <https://aggiebuy.tamu.edu/training/>

4.2 FAMIS – Financial Accounting Management Information System is an electronic accounting system used by the Texas A&M University System for financial accounting and budgetary purposes.

4.3 Laserfiche: A system that creates an enterprise content management, business process automation, workflow, records management, document imaging and webform software.

4.3.1 Training Materials:

Laserfiche Online Training: <https://laserfiche.tamu.edu/training.php>

4.3.2 Laserfiche Contract Management System - Streamlines the entire lifecycle of contracts from internal contract requests to final signature and archiving.

4.4 The Texas A&M University System Contract Management Handbook https://assets.system.tamus.edu/files/budgets-acct/pdf/TAMUS_Contract_Mgmt_Handbook.pdf

4.4.1 Training Materials:

Contract Administration Training:

https://www.tamuk.edu/finance/files/finance/ssgs/forms/Contract%20Administration%20Training_2017.pdf

End User Documentation:

<https://www.tamuk.edu/finance/files/finance/ssgs/forms/TAMU%20CMS%20End%20User%20Documentation.pdf>

4.5 Procurement Card Program:

4.5.1 Citibank Purchasing Card System/Program: Citibank provides a procurement card (p-card) to optimize the procurement process by establishing a more efficient, cost effective method for purchasing and payment of small dollar purchases.

4.5.2 P-Card Program Guide:

https://www.tamuk.edu/finance/_files_finance/ssgs/forms/PCardProgramGuide.pdf

4.5.3 P-Card in Concur Quick Reference Guide:

https://www.tamuk.edu/finance/_files_finance/ssgs/forms/QuickReferenceGuide.pdf

4.5.4 Creating a Concur Expense Report:

https://www.tamuk.edu/finance/_files_finance/ssgs/forms/CreatingaConcurExpenseReport.pdf

4.5.5 Allocating an Expense by Account Number:

https://www.tamuk.edu/finance/_files_finance/ssgs/forms/AllocatinganExpense.pdf

4.5.6 Itemizing an Expense by Object Code:

https://www.tamuk.edu/finance/_files_finance/ssgs/forms/ItemizinganExpense.pdf

4.6 The trainings below are accessed through [Single Sign On](#) - Online Training (SSO):

4.6.1 2112001: Procurement Card Introduction Training - TAMUK

4.6.2 2111721: P-Card Refresher Course (1311B)

4.6.3 2112051: FAMIS Training: 1401A FAMIS Basics - TAMUK

4.6.4 2112053: FAMIS Training: 1401B Introduction to FAMIS - TAMUK

4.6.5 2112113: FAMIS Training: 1401C Introduction to Canopy TAMUK

4.6.6 2113594: SSGS Training: 1404 Approver's - TAMUK

PP-020 Organization
Approved June 4, 1996
Revised January 2, 2017
Next Schedule Review: January 2, 2023

1. Purpose

The purpose of this policy is to establish the hierarchy of authority and responsibility upon which all of the policy and procedure bulletins in this manual are based.

2. Scope

This policy applies to all employees.

3. Procedure

3.1 The President of the University is responsible for the maintenance of this organization via the Vice President of Finance & CFO and the Executive Director of Procurement and Travel Services.

3.2 Organization: The organization chart on the Procurement and Travel Services Website shows the positions referred to in this manual.

<https://www.tamuk.edu/finance/procurement/orgchart.html>

1. Purpose

1.1 In order for the University to maintain its position of leadership, it is imperative that we continually strive for lower cost in every area of our educational and research operations. A large element of cost is purchased materials, equipment, and services. These costs account for about 20% of our budget, and provide us with an excellent opportunity for cost reduction and control.

1.2 Procurement is an important activity where it is mandatory that the responsibility for acquiring materials and services be assigned to a group of people skilled in statutory regulation, negotiating, cost reduction and other Procurement techniques.

1.3 The primary responsibility is to provide for the purchase of materials, supplies and services, with the objective that they will be available at the proper time, in the proper place, in quantity, quality and price consistent with the needs of the University. This balancing of several factors is critical.

1.4 To achieve this overall objective, all employees must adhere to the responsibilities, authorities and controls set forth in this policy, and related policies and procedures.

2. Scope

This policy applies to all purchase and purchase-related documents prepared or processed within the University.

3. Procedure

3.1 The Executive Director of Procurement and Travel Services has the responsibility for the procurement of all goods and services, the processing and sale of surplus goods and equipment, and to either provide the services for such procurement and processing or give functional directions to others delegated the authority to perform such services.

3.2 Only those persons expressly delegated by the President are authorized to commit the University for the purchase of materials, equipment, supplies and services.

3.3 Procurement has the responsibility for obligating the University and for making the final determination of source of supply, quantities purchased, delivery schedule, and price negotiations, except where others are so authorized. These decisions will be made in conjunction with the Using Department, Physical Plant Operations, University Engineering, Property Management, Information Technology Services (ITS) Department, Accounting and other departments, as appropriate.

3.4 Procurement is responsible for initiating and maintaining effective and professional relationships with suppliers, actual and potential.

3.5 Procurement is to serve as the exclusive channel through which all requests regarding prices and products are handled. The Procurement Department will conduct all correspondence with suppliers involving prices or quotations. In cases where technical details are necessary, the using department may correspond with suppliers. In such cases, the Procurement Department should be provided with copies of all such correspondence. Close communication and coordination between Procurement and the using departments must occur.

3.6 All negotiations are to be handled by the appropriate Procurement personnel within their delegated authority.

3.7 When supplier sales representatives make personal sales calls, they are to be directed to call on the appropriate Purchaser at that time.

3.8 All employees involved in Procurement activities will work to maintain and enhance the University's image by their personal conduct and methods of doing business.

3.9 All employees engaged in Procurement activities will recognize and practice good public relations by giving all callers and visitors courteous treatment.

3.10 Vendor selection and products purchased are to meet the basic policies and standard practices of the University. The orderly replacement “by attrition” is to occur when cost-effective and operating commitments can be met.

3.11 Procurement personnel are to seek to obtain and purchase all goods at the lowest possible total and use cost, considering the guidelines of “best value”.

3.12 The Executive Director of Procurement and Travel Services is to assume full authority to question the quality and kind of material asked for, in order that the best interests of the University may be served.

3.13 Procurement personnel are to inform ordering departments whenever the quantity or specifications of materials ordered are inconsistent with sound Procurement practices or market conditions.

3.14 Procurement personnel will work to establish and encourage punctual delivery of specified goods and services in correct quantities.

3.15 Department/End-User personnel will negotiate the return of rejected equipment or supplies to suppliers.

3.16 The Executive Director of Procurement and Travel Services is to advise Executive Staff of economic conditions and changes significant to the University’s long-and-short-term interests.

4. General Procedure

4.1 All purchases must comply with University’s Procurement Procedures. Each purchase must be fully documented with all documents retained in accordance with the University’s records retention schedule. There are three types of purchasing authority:

- 4.1.1 purchases processed directly through and by Procurement and Travel Services;
- 4.1.2 purchases delegated to specific departments, e.g., Library; and
- 4.1.3 purchases limited by dollar amount delegated to departments

4.2 Purchases requiring a written contract must be in compliance with the provisions of System Policy 25.07: *Contract Administration* System Regulation 25.07.01: *Contract Administration Procedures and Delegation* and Rule 25.07.99.K1 *Contract Administration*.

4.3 Unless specifically exempted (See Section 5), the following procurement methods must be utilized: competitive bidding; competitive sealed proposals; catalogue purchase procedures; group purchasing; and alternate methods relevant to specific application of goods or services purchased.

4.4 All purchased shall be based on a “best value” and shall encompass the following:

- 4.4.1 Purchase price.
- 4.4.2 Reputation of the vendor and of the vendor’s goods or services.
- 4.4.3 Quality of the vendor’s goods or services.
- 4.4.4 Extent to which the goods or services meet the University’s needs.
- 4.4.5 The vendor’s past performance with the University.
- 4.4.6 Impact on the ability of the University to comply with laws and rules relating to Historically Underutilized Business and to the procurement of goods and services from persons with disabilities.

4.4.7 Total long-term cost to the University of acquiring vendor's goods and services.

4.4.8 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.

4.4.9 any other relevant factor that a private business entity would consider in selecting a vendor.

5. Purchase of Goods or Commodities

5.1 Unless a specific written delegation to purchase goods or commodities has been given to the department, all requisitions for purchases of goods or commodities in excess of \$10,000 must be forwarded to Procurement and Travel Services.

5.2 Procurement and Travel Services has delegated the authority to departments to make purchases of goods and commodities without a competitive bid for \$10,000 or less (including freight and/or postage).

5.2.1 All employees making purchases under delegated purchasing authority shall adhere to the Texas A&M University System Ethics Policy.

5.2.2 Purchases within these dollar limits require proper documentation on the Non-Catalog Item or Non-PO Based Invoice in the *E-Procurement System* or as provided in the University Guidelines for Procurement Card purchases.

5.2.3 Purchases may not be separated into small dollar purchases in order to remain within the authorized dollar limit of authority.

5.2.4 Departments shall provide equal opportunity and access to all vendors for the purchase of goods and commodities. Procurement and Travel Services will assist in identifying Historically Underutilized Businesses (HUBs) for such purchases.

5.2.5 Departments shall purchase goods, whenever possible, from persons with disabilities (Texas Industries for the Blind and Handicapped). Procurement and Travel Services will assist in identifying WORKQUEST (FORMERLY KNOWN AS TIBH) contracts. WORKQUEST (FORMERLY KNOWN AS TIBH) contracts may be viewed at the following website: <https://workquest.com/>

5.3 All purchases in excess of the authorized departmental purchase limit shall be submitted as a requisition to Procurement and Travel Services. Upon receipt of the purchase requisition, Procurement and Travel Services will determine the appropriate method of procurement and process accordingly.

5.3.1 The State of Texas has awarded contracts that are available for use by all state agencies and institutions of higher education. Information, regarding what types of goods or commodities are available on state contracts, may be found at the Texas Comptroller of Public Account's website.

5.3.2 Departments are highly encouraged to review and utilize the state contracts whenever possible. Procurement and Travel Services administers many University and system-wide blanket-pricing contracts. These contracts must be used if they provide services or goods that meet the requisitioner's need.

6. Emergency Purchases

6.1 An emergency purchase is defined as a purchase of goods or services so badly needed that a department will suffer financial or operational damage unless they are secured immediately. In the case of an emergency, departments must notify Procurement and Travel Services immediately. If the emergency happens after normal business hours, the department shall notify the Department of Procurement and Travel Services on the next business workday.

6.1.1 A written emergency justification is required by utilizing the Emergency Purchase Requisition Justification Form located on the Procurement and Travel Services website.

6.1.2 Notwithstanding the immediate nature of an emergency, all procurements conducted as emergencies should be made as competitive as possible under the circumstances.

6.1.3 Bids are not required for purchases of \$10,000 or less; however, departments are encouraged to obtain bids when possible.

6.1.4 For purchases in excess of \$10,000, three (3) informal bids must be obtained except when securing bids would significantly impede the process of completing the purchase. An award should be made based on best value, considering the type of emergency.

6.1.5 The ability to make purchases quickly and easily post-disaster is essential to ensure during and after all departments needs are met during recovery. Following any major disruptive event, Procurement and Travel Services will proactively inform the campus about the status of campus procurement systems.

6.1.6. To the extent that systems are operating normally, the normal procurement policies, procedures & restrictions will continue to apply. To the extent that systems are not working, will issue instructions how to proceed.

6.1.7 If the normal Purchase Order and Purchase Requisition systems are not operable, the P-card will be the principal mechanism for making purchases for a temporary period. Should this happen, Procurement and Travel Services will act, as circumstances deem appropriate, to raise card limits and/or remove restrictions on types of purchases for a specific identified number of p-card holders.

6.1.8 During times of crisis, proper record-keeping for P-card purchases MUST be continued. The risks inherent in this system make diligent conformance to procedures even more important at such times.

7. Purchase of Services

7.1 Purchase of services is defined as the furnishing of skilled or unskilled labor or professional work, but does not include:

7.1.1 Professional services as defined by Subchapter A, Chapter 2254, Texas Government Code.

7.1.2 Service of a state agency employee.

7.1.3 Consulting service as defined as Subchapter B, Chapter 2254, Texas Government Code.

7.1.4 Service of a public utility

7.2 A Non-Catalog Item Requisition must be submitted for the purchase of services and the award must be issued before the service begins.

7.3 If the service can only be provided by a sole source provider, a letter of justification explaining why the service is needed and why it cannot be obtained competitively must be submitted with the requisition utilizing the Sole Source Justification Form.

7.4 If a department knows that services will be needed and rendered throughout the fiscal year, requisitions for purchases of services in excess of \$10,000 per fiscal year must be forwarded to Procurement and Travel Services.

8. Purchase of Specific Goods or Services

8.1 Computer Software: All software with a cost in excess of \$10,000 must be submitted to Procurement and Travel Services, All inventoried. Software requiring the execution of a third-party contractor license must be submitted to Procurement and Travel Services prior to any commitment for the purchase of the software.

8.1.1 All software with a cost in excess of \$100,000 are classified as capital equipment per the State of Texas GASB 51 and must be inventoried.

8.2 Rental of Machines and Equipment: Rental of machines and equipment that do not include an operator are considered goods and rentals that include an operator provided by the supplier are services.

8.2.1 All rentals in excess of \$10,000 must be processed through Procurement and Travel Services prior to the date of required use. For rentals with an estimated value less than \$10,000, the department may purchase the services using their delegated authority; however, if considered a service, a certificate of insurance (COI) meeting Texas A&M System limits must be included with the requisition/purchase order.

8.3 Use of a Private Consultant: Consulting services of \$10,000 or less may be processed utilizing the delegation authority assigned to department. Consulting services in excess of delegated authority shall be requisitioned through Procurement and Travel Services.

8.4 Lease of Space: All lease-of-space requests for the University, regardless of the amount, must be submitted to Procurement and Travel Services for processing. Requests must include a purchase requisition and specific lease information. Procurement and Travel Services will work with System Real Estate on the lease.

8.5 Business Meals: Business Meal expenses are allowed only when properly documented and showing evidence of the business purpose. Utilize the Food Purchase Information Form for all Business Meals. Purchases of business meals must be an authorized expense for the paying account. Proper documentation includes:

8.5.1 Who: A list, by name, of all the individuals present at the meal.

8.5.2 Where: The name of the business where the meal was consumed.

8.5.3 When: The date of the meal.

8.5.4 What: The receipt must be an itemized listing of the foods served.

8.5.5 Why: (Business Purpose) The reason for the meal that is directly related to the business of the University. Employees are cautioned that business meals are reserved for items that are exceptional to the regular operations of a department.

8.6 Lease/Purchase or Installment Payment Purchase: Requests for all lease-purchases or installment payment purchases, regardless of the amount, shall be submitted to Procurement and Travel Services for processing.

8.7 A Department may acquire capital equipment by lease or lease-purchase if it is cost effective. To establish cost effectiveness, the requisitioning department should submit the following information:

8.7.1 Anticipated interest charges over the life of the purchase to the extent it can be determined.

8.7.2 Anticipated cost savings which would be realized through the present acquisition of the equipment with the outright purchase of the equipment at a later time, when adequate funds become available.

8.7.3 Any other information the Department considers relevant and supporting documentation that “in spite of the additional interest cost to the State, this purchase could not be accomplished as economically through any other available means. Thus, the lease, or installment purchase of this equipment is the most cost-effective means of obtaining the needed equipment

8.7.4 Any lease, lease-purchase or installment payment purchase utilizing any state-appropriated funds that is either in excess of \$1,000,000 or has a term in excess of five (5) years must be submitted to the Texas Bond Review Board for approval.

8.8 Professional Services per Texas Government Code Title 10, Subtitle F, Chapter 2254, Subchapter A:

8.8.1 Accounting – CPA

8.8.2 Architecture – State Licensed

8.8.3 Landscape architecture – State Licensed

8.8.4 Land surveying – State Licensed

8.8.5 Medicine – Physician including a surgeon

8.8.6 Optometry – State Licensed

8.8.7 Professional engineering – State Licensed

8.8.8 Real Estate appraising – State Licensed

8.8.9 Professional nursing – Registered nurse

8.8.10 Person lawfully engaged in Interior Design – State Licensed not required

8.8.11 Requires a Request for Qualification (RFQ) to be performed.

8.9 Exempt Purchases: The following services are exempt from competitive bidding requirements:

8.9.1 Artists: Painters, Sculptors, Compositions, Performers

8.9.2 Classified Advertising: direct expenses such as newspaper, books, internet, radio, television and magazine advertisements. Marketing plans or complete advertising portfolios such as public relations/advertising campaign related services are not exempted and must be processed via a requisition through Procurement and Travel Services if they are greater than the departmental delegated authority. When paying for the advertisement, the tear sheet or proof of the ad for print, or the script of the radio or television ad, must be attached as part of the payment documentation, as well as the dates the ad ran.

8.9.3 Conference Expenses:

- No Exemption for 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 \$10,000. Must follow procurement procedures for bids.
- Exempted expenses include conference room services such as audio/visual/network and food services provided by the hotel. Expenses not exempted are; offsite hotel rooms due to overbooking, outside catering, goods purchased for attendees, transportation services not provided by conference hotel and/or other conference facility, or printing services such as programs and signage. Use Facility (Hotel) Addendum as needed.

8.9.4 Freight, Express Delivery Service or Demurrage Fees.

8.9.5 Goods and Services:

- Provided by other State of Texas Agencies, TAMUS components or by other local governments Inter-agency and Inter-local agreements.
- Provided by the Texas Department of Criminal Justice
- Provided by WorkQuest, formerly the Texas Industries for the Blind and Handicapped (TIBH)
- Purchases from Federal Agencies
- Purchases from Institutions of Higher Education
- Purchases made directly through the AggieBuy(JavelinaBuy) MarketPlace
- Group Purchasing Programs (Co-op)
- Purchases from GSA Contracts
- Purchases from Department of Information Resources (DIR)

8.9.6 Internal Repairs: A repair that cannot be reasonably defined prior to the actual repair and the extent of the repair needed cannot be determined until the equipment is disassembled.

8.9.7 Lecturers/Guest Speakers/Entertainers: Fees for speaker/lecturers/entertainers hired on a one-time basis and does not include fees for speakers/lecturers on a continuous basis.

8.9.8 Legislative Information Service – bill analysis services

8.9.9 Library Materials: Expenses specific for Texas A&M University-Kingsville Libraries

8.9.10 Membership Fees and Dues: Payment for a membership fee is allowed if:

- TAMUK has specific or implied statutory authority for the payment
- Payment would serve a proper public purpose
- TAMUK would receive adequate consideration in exchange for the payment
- Immediate supervisor reviews and grants prior approval for the expenditure
- Professional membership fees and dues are not allowed for: payment from state funds if any portion of the membership is contributed to a lobbyist. Refer to the state of Texas Ethics website to confirm the organization is not listed under the search “by client name”. If on the list, then only local funds may be used for payment and the portion contributed to a lobbyist has been documented and deducted.

8.9.11 Moving Expenses: State funds may not be used for moving expenses.

- For employees, all moving allowances and expenses are addressed by the Human Resources department.
- All other non-employee moving expenses must follow normal procurement procedures.

8.9.12 Newspaper and Magazine Subscriptions: Direct from the publisher

8.9.13 Notary Fees: Are allowed and approved for based in the course and scope of the person’s employment

8.9.14 Performing Artists: Music, Entertainment

8.9.15 Publications: Pertains to newspaper, magazine and software subscriptions available from only the publishers.

- May not use appropriated (state) monies to publish a periodical or other publication if prominently display the name or picture of an appointed officer or statewide elected official.
- May use appropriated (state) monies to publish a periodical or other publication if it is:
 - Intended for use by the general public
 - Generally informational, promotional or educational
 - Paid for through the sale of the publication
 - Not essential to the achievement of a statutory objective of the agency

8.8.16 Registration Fees and Associated Books and Materials

8.8.17 Rental of Exhibit Space: Booths for display purposes

8.8.18 Student Travel: Expenses related to student travel concerning air and bus charter are not exempted.

8.8.19 Utilities

8.8.20 Works of Art

9. Purchases with Federal Funds

9.1 For federal grant-funded purchases made prior to September 1, 2018, Texas A&M University-Kingsville complies with OMB Circular A-110 Procurement Standards as defined in Subpart C, Post-Award Requirements, Sections .40 - .48. Effective September 1, 2018, federal grant-funded purchase must comply with Procurement Standards as defined in 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards, Subpart D, Sections 200.318 – 200.326 known as Uniform Guidance.

9.2 Each requisition for the purchase of equipment with federal funds must be screened by Procurement and Travel Services and by the Surplus Property Manager to make certain that such equipment is not available on campus. The requisition must reflect the class code(s) under which the equipment being requisitioned can be found.

9.3 If such equipment is available, Procurement and Travel Services and the Surplus Property Manager will contact the owner of the equipment and the requisitioner to consider the feasibility of using the available equipment.

9.3.1 If the available equipment meets the requirements for equipment requisitioned for the project, but use of this equipment is not mutually agreeable between the owner and the requisitioner, written justification from the dissenting party or parties must be submitted to the Surplus Property Manager and approved by the appropriate Vice President prior to procurement of new equipment. Where appropriate, an analysis of lease and purchase alternatives shall be made to determine the most economical and practical procurement method utilizing federal funds in excess of \$10,000.

9.4 If satisfactory equipment is not available, the Surplus Property Manager will approve the requisition and forward it to Procurement and Travel Services.

9.5 If the equipment requisitioned exceeds \$10,000 and is available only from a single source, the requisitioner is responsible for obtaining prior approval of the purchase or a waiver of the prior approval option from the sponsoring agency.

9.6 Vendors must be in compliance with Executive Order 11246 (Equal Employment Opportunity) when orders exceeding \$10,000 are awarded. A written copy of the vendor's affirmative action plan is required on all orders exceeding \$50,000. Additionally, the vendor's written assurance of compliance with the Clean Air Act of 1970 and the Federal Water Pollution Act must be obtained on all orders exceeding \$100,000.

9.7 The University shall, adhere to all federal requirements as stipulated in a grant or award and shall follow the federal procurement rules and guidance as appropriate.

9.8 Office of Responsibility: Procurement and Travel Services Governing Statute: Texas Education Code, 51.933 5(a)-(e)

PP-031 Protest Procedure

(previously P-031)

Approved January 26, 2018

Revised

Next Schedule Review: January 26, 2023

1. Purpose

This Rule details the procedure for filing protests related to the procurement of goods and/or services by the University.

2. Scope

This Rule applies to all purchases made by the University.

3. Procedure

3.1 Any actual or prospective bidder, offeror, proposer, or contractor who is aggrieved in connection with the solicitation, evaluation, or award of a contract may formally protest to the Executive Director of Procurement and Travel Services. Such protests must be in writing and received in the Executive Director's office within 3 working days after such aggrieved person knows or should have known of the occurrence of the action which is protested or the award date, whichever is earlier. Formal protests must conform to the requirements of this Rule and shall be resolved in accordance with the procedures set forth in this Rule. Copies of the protest must be mailed or delivered by the protesting party to the University and other interested parties. For the purpose of this Rule, "other interested parties" means all vendors who have submitted bids or proposals for the contract involved.

3.2 In the event of a timely protest or appeal under this Rule, the University shall not proceed further with the solicitation or with the award of the contract unless the Executive Director makes a written determination that the award of contract without delay is necessary to protect substantial interests of the University.

3.3 The formal protest must contain:

3.3.1 A specific identification of the statute, regulation, or rule that the action complained of is alleged to have violated.

3.3.2 A specific description of each act alleged to have violated the statute, regulation, or rule described in (3.1.1) above.

3.3.3 A precise statement of the relevant facts, an identification of the issue(s) to be resolved.

3.3.4 Argument and authorities in support of the protest

3.3.5 A statement that copies of the protest have been mailed or delivered to other identifiable interested parties.

3.4 The Executive Director shall have the authority, prior to appeal to the Assistant Vice President for Finance and CFO to settle and resolve the dispute concerning the solicitation or award of a contract. The Executive Director may solicit written responses to the protest from other interested parties.

3.5 If the protest is not resolved by mutual agreement, the Executive Director will issue a written determination on the protest.

3.5.1 If the Executive Director determines that no violation of statute, regulation, or rule has occurred, they shall so inform the protesting party and other interested parties by letter that sets forth the reasons for the determination.

3.5.2 If the Executive Director determines that a violation of statute, regulation, or rule has occurred in a case where a contract has not been awarded, they shall so inform the protesting party and other interested parties by letter which sets forth the reasons for the determination and the appropriate remedial action.

3.5.3 If the Executive Director determines that a violation of the statute, regulation, or rule has occurred in a case where a contract has been awarded, they shall so inform the protesting party and other interested parties by letter which sets forth the determination which may include ordering the contract void.

3.6 The Executive Director's determination on a protest may be appealed by an interested party to the Vice President for Finance and CFO. An appeal of the Executive Director's determination must be in writing and must be received in the Vice President for Finance and CFO's office no later than 6 working days after the date of the Executive Director's determination. The appeal shall be limited to review of the Executive Director's determination. Copies of the appeal must be mailed or delivered by the appealing party to other interested parties and must contain an affidavit that such copies have been provided. The aggrieved party may request a meeting with the Vice President for Finance and CFO.

3.7 The Vice President for Finance and CFO will issue a written determination on the appeal. They shall so inform the protesting party and other interested parties by letter, which sets forth the reasons for the determination.

3.8 The determination by the Vice President for Finance and CFO shall be final.

1. Purpose

This Rule details the procedure required for resolving Disputes between vendors and the University.

2. Scope

This Rule applies to all purchases made by the University.

3. Procedure

3.1 The following procedure shall be used for all Disputes arising during a procurement transaction.

3.2 Dispute Resolution Process:

3.2.1 To the extent Chapter 2260, Government Code, as it may be amended from time to time (“Chapter 2260”), is applicable to this Agreement and is not preempted by other applicable law, the dispute resolution process provided for in Chapter 2260 of the Government Code shall be used, as further described herein, by TAMUK and Contractor in attempts to resolve any claim for breach of contract made by Contractor:

3.2.2 Contractor’s claim for breach of this Agreement that the parties cannot resolve pursuant to other provisions of this agreement or in the ordinary course of business shall be submitted to the negotiation process provided in subchapter B of Chapter 2260. To initiate the process, Contractor must submit written notice, as required by subchapter B of Chapter 2260, to TAMUK in accordance with the notice provisions in this Agreement. Contractor’s notice shall specifically state that the provisions of subchapter B of Chapter 2260 are being invoked, the date and nature of the event giving rise to the claim, the specific contract provision that TAMUK allegedly breached, the amount of damages Contractor seeks, and the method used to calculate the damages. Compliance by Contractor with subchapter B of Chapter 2260 is a required prerequisite to Contractor’s filing of a contested case proceeding under subchapter C of Chapter 2260. The President of TAMUK or such other officer of TAMUK as may be designated from time to time by TAMUK by written notice thereof to Contractor in accordance with the notice provisions in this Agreement, shall examine Contractor’s claim and any counterclaim and negotiate with Contractor in an effort to resolve such claims.

3.2.3 If the parties are unable to resolve their disputes under subparagraph (1) of this Section, the contested case process provided in subchapter C of Chapter 2260 is Contractor’s sole and exclusive process for seeking a remedy for any and all of Contractor’s claims for breach of this Agreement by TAMUK.

3.2.4 Compliance with the contested case process provided in subchapter C of Chapter 2260 is a required prerequisite to seeking consent to sue from the Legislature under Chapter 107 of the Civil Practices and Remedies Code. The parties specifically agree (i) neither the execution of this Agreement by TAMUK nor any other conduct, action or inaction of any representative of TAMUK relating to this Agreement constitutes or is intended to constitute a waiver of TAMUK’s or the State of Texas’ sovereign immunity to suit, and (ii) TAMUK has not waived its right to seek redress in the courts.

3.2.5 The submission, processing and resolution of the contractor’s claim is governed by the published rules adopted by the Texas Attorney General, pursuant to Chapter 2260, as currently effective, hereafter enacted or subsequently amended.

3.2.6 Neither the occurrence of an event giving rise to a breach of contract claim nor the pendency of a claim constitutes grounds for the suspension of performance by Contractor, in whole or in part. TAMUK and Contractor agree that any periods set forth in this Agreement for notice and cure of defaults are not waived.

3.2.7 The designated individual responsible on behalf of Texas A&M University-Kingsville for examining any claim or counterclaim and conducting any negotiations related thereto as required under §2260.052 of H.B. 826 of the 76th Texas

Legislature shall be the Executive Director of Procurement Service, MSC 212, Room 121 College Hall, Kingsville, TX 78363.

1. Purpose

The purpose of this procedure is to provide guidance to employees engaged in any aspect of the procurement function reporting regarding procurement and contracts for Electronic and Information Resources (EIR).

2. Scope

2.1 All procurement of electronic and information resources (EIR) must comply with accessibility requirements in this procedure in addition to other applicable purchasing requirements.

2.2 Accessibility requirements apply to the procurement regardless of the disability of those served or the dollar amount of the procurement.

2.3 EIR developed, procured or significantly changed by institutions of higher learning in the state of Texas must comply with accessibility standards and specifications within [1 TAC §206 \(c\)](#) and [1 TAC §213 \(b\)](#). These standards, along with federal standards defined in [Section 508 of the Rehabilitation Act as amended by the Workforce Investment Act of 1998](#) serve as guideposts for diversity and inclusion at Texas A&M University-Kingsville.

3. Procedure

3.1 Purchasing of EIR items:

3.1.1 Electronic and Information Resources Purchases TAC §213.17(c): This subchapter applies to electronic and information resources developed, procured, maintained, or used by agencies directly or used by a contractor under a contract with the agency which requires the use of such product, or requires the use, to a significant extent, of such product in the performance of a service or the furnishing of a product.

3.1.2 This procedure provides guidance for the purchase and development of EIR for TAMUK.

3.2 Examples of Applicable Electronic and Information Resources. The following are examples of electronic and information resource purchases:

3.2.1 Telecommunications products such as telephones

3.2.2 Information kiosks

3.2.3 Transaction machines

3.2.4 Web site and application development

3.2.5 Office equipment such as copiers and fax machines

3.2.6 Computers (mobile or desktop)

3.2.7 Web application software

3.2.8 All computer software

3.2.9 Multimedia resources (videos, cods, dads)

3.2.10 Information resources provided by hosted or managed contract providers

3.2.11 Embedded Technology

3.3 If the primary purpose of the embedded technology is for the functioning of equipment or software and is not primarily for informational purposes, the technology is not considered an electronic and information resource.

3.3.1 Below are examples of embedded technology that is not primarily for informational purposes:

- Heating, ventilation, and air conditioning equipment such as thermostats and temperature control devices.
- Medical equipment in which information technology is integral to the operation of the equipment.

4. Planning the Purchase

4.1 TAC §213.17 (b) When procuring a product, each Purchaser shall procure products which comply with the provisions in this subchapter when such products are available in the commercial marketplace or when such products are developed in response to a procurement solicitation.

4.2 All TAMUK procurement for EIR must comply with these policies. All procurement documents must include a statement about EIR accessibility standards. The statement about EIR accessibility standards must be included in the Purchase Order Terms and Conditions and any requests for qualifications, requests for proposals and contract templates.

5. Development of the Solicitation

5.1 The accessibility standards in this procedure must be used to develop solicitation specifications and statements of work. When planning an EIR purchase, the agency must clearly understand and consider the uses of the EIR goods and services, include specifications and statements of work in solicitations that meet the needs of the agency and comply with the accessibility standards in this procedure, and Develop solicitation evaluation instruments that will measure whether responses to solicitations are responsive to accessibility requirements.

6. Compliance That Imposes Significant Difficulty or Expense:

6.1 [\(1\) TAC §213.17](#) - When procuring a product, if a Purchaser along with the EIR Officer determines that compliance with any provision of this subchapter imposes a significant difficulty or expense, the documentation by the Purchaser along with the EI Officer supporting the procurement shall explain why, and to what extent, compliance with each such provision would impose a significant difficulty or expense.

6.1.1 "Significant difficulty" must be identified during the planning and development phase. If it is not, a solicitation will likely have to be canceled and work begun on a new solicitation. If it is determined that including, certain accessibility standards in a solicitation will impose a significant difficulty or expense upon the agency, an exception may be requested.

6.1.2 The exception for significant difficulty or expense is not an exception to overall compliance, but rather is an exception to the standard form of compliance.

6.1.3 Examples of significant difficulty or expense may include:

- Vendors not readily available on the open market
- Excessive cost
- Unavailability of staff resources or technical support
- Program time constraints or excessively late delivery dates
- Incompatible equipment
- Lack of adequate or timely training

- Questionable ability of available vendors to perform according to expectations

6.2 If an exception to the accessibility standards is granted, the purchaser must find ways to mitigate significant difficulty or expense by providing individuals with disabilities a reasonable alternative means of access to information and data. Conducting the Purchase Identifying Accessible Vendors [1 TAC §213.17 \(b\) \(1\)](#) State agencies may use the [Voluntary Product Accessibility Template \(VPAT\)](#) to assess the availability of products in the commercial marketplace.

6.3 The entity conducting the purchase must research the market to determine the availability of accessible goods and services. To identify potential contract bidders or offerors.

6.3.1 Purchasing entities may use the following tools:

- Information posted on vendor Web sites
- The Comptroller's Centralized Master Bidders List (CMBL) Catalog Information System Vendor site, VPAT (the VPAT contains the vendor's explanation of the accessibility features of the product), and Other means, as appropriate.
- Instructions to Purchaser for Voluntary Product Accessibility Template (VPAT)
- As part of TAMUK's procurement process for products and services that meet the definition of Electronic and Information
- Resources, EIR accessibility-related documentation must be submitted by vendors for each offering, or family of similar offerings.

6.4 For commercial off-the-shelf (COTS) software and online services, EIR Accessibility is determined by vendor evaluations of each offering or family of similar offerings against a set of accessibility standards as defined in [Texas Administrative Code 1 TAC 206 State Websites](#) and [1 TAC 213 Electronic and Information Resources Accessibility](#).

6.5 Vendors must document the results of these evaluations by completing a VPAT. Note: Completed VPATs, or links to the completed VPATs, must be included as part of responses to TAMUK's solicitations.

6.5.1 [Download the Texas Department of Information Resources guide to completing a VPAT](#)

6.5.2 [Download the VPAT template from the Information Technology Industry Council \(ITI\) website.](#)

6.6 For TAMUK's solicitations related to development services for software, websites, web applications, etc., VPAT documentation is not applicable; however, in accordance with [1 TAC 213](#), vendors will be asked to provide credible evidence of their capability or ability to produce accessible EIR products and services.

6.7 Such evidence may include, but is not limited to, internal accessibility policy documents, contractual warranties for accessibility, accessibility testing documents, and examples of prior work results.

6.8 The Buyer will obtain the VPAT from the vendor if applicable and forward to the Accessibility Coordinator working together with the Information Technology Department for university-wide compliance.

7. Acquisition of Information Resources Technologies:

7.1 All information resources technology acquisitions must be preapproved by the Information Technology Services (ITS) Department.

7.2 The ITS Department will also ensure any information resources technology acquisitions in excess of \$250,000.00 will be reviewed by the System CIO and will provide the supporting documentation to Procurement and Travel Services.

7.3 Both the ITS and Procurement and Travel Services will coordinate for any information technology systems over \$1,000,000 and submit to System Internal Audit for approval.

8. Documenting the Purchase Process

8.1 The purchaser must document in the procurement file steps taken to comply with the requirements in this procedure.

8.2 Contract Management and Monitoring:

8.2.1 The agency must ensure that all parties to the contract according to contract terms and conditions provide EIR services and products (goods). When making purchases that directly or indirectly require EIR, the agency must ensure that, the contractor meets accessibility requirements.

8.2.2 Depending on a contract's complexity, the contract management function may be carried out as a formal or informal part of a named employee's job. In complex contracts, others may be assigned to assist the contract manager.

8.2.3 Accessibility management and monitoring ensures:

- Contract accessibility requirements are satisfied
 - The financial interests of the agency are protected
 - Bills associated with accessible goods and services are appropriately approved for payment or bills after the fact
-

9. Risk Assessment

9.1 The level of accessibility management and monitoring must be consistent with the following contract aspects:

- Complexity of accessibility terms and conditions
- Level and duration of risk to contracted outcomes if accessibility is not appropriately provided
- Potential dollar loss if accessibility is not adequately provided

9.2 With regard to accessibility, risk assessment must include:

- Consideration of accessibility standards
 - Importance of accessibility to the performance of the contract
 - Costs associated with accessibility
 - Vendor's or provider's history in meeting accessibility standards, and Additional accessibility considerations, as appropriate.
-

10. Exception Request Process

10.1 All websites, web applications, and other electronic and information resources (EIR) must comply with certain technical accessibility standards (see the EIR Accessibility Standards table below). If achieving compliance with these standards is not possible, an EIR Accessibility Exception Request Form must be submitted for each non-compliant EIR.

11. Resources

EIR Category	Technical Accessibility Standards
Software Applications and Operating Systems	Title 1, Rule §213.30 of the <i>Texas Administrative Code</i>

Websites	Title 1, Rule §206.70 of the <i>Texas Administrative Code</i> Title 1, Rule §213.30 of the <i>Texas Administrative Code</i> Title 1, Rule §213.32 (2) of the <i>Texas Administrative Code</i>
Telecommunications Products	Title 1, Rule §213.31 of the <i>Texas Administrative Code</i>
Video and Multimedia Products	Title 1, Rule §213.32 of the <i>Texas Administrative Code</i>
Self-Contained, Closed Products	Title 1, Rule §213.33 of the <i>Texas Administrative Code</i>
Desktop and Portable Computers	Title 1, Rule §213.34 of the <i>Texas Administrative Code</i>

1. Purpose

To define the purchase authority for operating Departments.

2. Scope

This procedure applies University wide.

3. Procedure

3.1 Departments are delegated by Procurement and Travel Services the authority to make purchases of equipment and supplies for \$10,000.00 or less (including freight and/or postage) through the e-procurement system, JavelinaBuy. This delegation refers to all State, Local and Federally funded accounts. No requisition is needed for purchases of \$10,000.00 or less (including freight and/or postage), unless it is for services. There are Local, State and Federal policies and procedures that must be strictly adhered to for purchases over this amount.

3.2 Departments must first receive training for JavelinaBuy and thoroughly understand the rules and regulations relating to Purchasing to receive access to create requisitions and invoices in JavelinaBuy.

3.3. Departments are encouraged to purchase all equipment and supplies, not exceeding \$10,000.00, from Historically Underutilized Business (HUB's). Procurement and Travel Services will assist in identifying HUB's for such purchases.

3.4 This delegated authority was implemented to allow departments to purchase supplies and equipment needed immediately and to allow adequate time for competitive bidding procedures mandated for large purchases. Departments are advised to carefully evaluate and plan their purchases of goods and services on a monthly/yearly basis. Purchases of like commodities in excess of \$10,000.00 are to be submitted to Procurement and Travel Services.

3.5 Departments are not to exceed the authorized delegated limit. Purchases may not be broken down into smaller purchases in order to meet the authorized limit of authority. Delegation of purchase authority may be revoked for intentional misuse of authority.

3.6 All Purchases made under this delegation must be entered via the e-procurement system, JavelinaBuy or with the employee's Procurement Card. Entry procedures are covered in the AggieBuy Quick Reference Guides located at the following URL:
<https://aggiebuy.tamu.edu/training/>

3.7 All delegated departmental purchases should adhere to all Federal, State and Local rules and procedures including the reviewing of any and all vendor license agreements, billing agreements, VPATs, cancellation requirements, privacy policies, terms and conditions and utilizing the TAMUK contract addendum to Vendor's Contract as necessary.

1. Purpose

To define certification and training requirements for purchasing professionals.

2. Scope

This procedure applies to all purchases (commodities, services, and construction) made after September 1, 2016.

3. Procedures for Certification and Training Requirements

3.1 The following minimum standards for Certification and Training Requirements will apply to University employees who participate in purchasing function using state funds:

3.1.1 Employees making purchases resulting in expenditures with a job title of “purchaser” performs purchasing activities as fifteen percent (15%) or more of their job activities or makes a purchase in excess of \$10,000 are required to take the State of Texas Comptroller of Public Accounts Basic Texas Purchaser Course with zero experience, certification and exam listed as none required.

3.1.2 Employees making purchases resulting in expenditures with routine purchases and contract development are required to take the State of Texas Comptroller of Public Accounts Texas Contract Developer Certification with a requirement of zero experience, CTCD Certification (formally CTPM) and an Exam score of no less than 80%.

3.1.3 Employees making purchases resulting in expenditures with a job title of “contract manager” or “contract administration manager” or “contract technician” performs contract management activities as fifty percent (50%) or more of their job activities or manages any contract in excess of \$10,000,000. Employees must take the Texas Contract Manager Certification Training with a requirement of zero experience, CTCM Certification and an exam score of no less than 80%.

3.1.4 To receive certification, the passing score of 80% must be achieved on the exam. The test may be repeated at least twice after the first failure, for a total of three (3) chances to pass the exam with an 80% or higher. If you do not pass after three (3) attempts, you must re-take the course.

3.1.5 The full fee for the test will be charged each time you have to re-test. The full fee for the course will be charged each time you re-take the course.

4. Purchasing Professionals Defined

4.1 For purposes of the Texas Comptroller of Public Accounts’ procurement training and certification program, purchasing personnel will be defined as all state agency and employees of institution or higher education to whom any of the following conditions apply:

4.1.1 An employee who is responsible for any of the following purchasing/contracting functions as a regular part of their job:

- Develops specifications based on user department’s requirements.
- Deciding the appropriate procurement method (i.e. TxSmartBuy term contracts, form or informal IFB, Open Market, RFP).
- Identify and/or select potential vendors.
- Solicitation of bids, requests for proposals, requests for offers, etc. from suppliers.
- Evaluations and ward of bids, proposals, offers, contracts, etc.
- Administration of contracts/purchase orders from ward to completion.

4.2 An employee who is responsible for the purchasing/contracting function of the agency or institution of higher education with the exception of real estate leasing and major construction projects*.

4.3 An employee who is empowered to sign purchase orders or contracts with the exception of real estate leasing and major construction projects*.

**Major construction projects will be defined as those projects requiring the signature of the institution of higher education's President, Chancellor, Vice Chancellor, Regents, or an agency's Executive Director (or higher).*

PP-040 Approval Requirements for Purchases

Approved June 5, 1996

Revised January 1, 2018

Next Schedule Review: January 23, 2023

1. Purpose

To define authority for the approval of purchase requisitions.

2. Scope

This procedure applies to all purchase requisitions.

3. Procedure

3.1 Purchase requisitions must be approved by the appropriate individual prior to issuance of any purchase order. The Contract Administrator/Buyer is responsible for ensuring that the proper approval is obtained, either in writing or verbally, before issuing a purchase order. The approval routing in JavelinaBuy for requisitions is to be used to obtain such approvals prior to the issuance of any purchase order.

3.2 The following guidelines are provided to assist the Contract Administrator/Buyer in ensuring that requisitions are properly approved prior to purchase.

3.3 The University has assigned the Account Manager as the authorized person to initiate and sign requisitions. If multiple accounts are used, then all responsible account managers must approve the purchase. The Account Manager's approval authorizes funds to be expended for the procurement.

1. Purpose

To identify the confidential nature of purchasing and purchasing-related transactions.

2. Scope

This policy applies to all University employees.

3. General

3.1 It is recognized that most of the transactions relating to Purchasing may be considered a confidential nature--especially with regard to our vendors and our competitors. However, the State of Texas has determined that Bid and Purchase documents are public information and are included in the Open Records Act. Bid Documents are confidential and proprietary to the Bid Process until such time that they are publicly opened.

3.2 From time to time, purchasing personnel may become aware of potential bid amounts. This information must be held in strictest confidence until such times as the bids are received and made public. Overheard phone calls, documents on desks during vendor interviews, and conversations between Buyers within hearing of vendors in other offices are some examples. An awareness of this sort of situation should be created so that it may be avoided.

3.3 Passage of pricing information from an employee of the University to an employee of a competitor is not only unethical, but is likely to be in violation of one or more of the various antitrust laws and should be scrupulously avoided.

3.4 All files within the Purchasing Department are to be maintained in an up-to-date and confidential manner. Access to these files and any other documentation found within this department shall be restricted to those authorized by the Executive Director of Procurement and Travel Services. See Procedure PP-250, Procurement Services Files.

3.5 Anyone requesting Procurement related information under the Open Records Act must contact the Office of Compliance for further instructions.

1. Purpose

The purpose of this policy is to provide guidance to employees engaged in any aspect of the procurement function concerning the avoidance of conflict of interest and to establish the ethical standards for the procurement professionals.

2. Scope

This policy applies to all employees who participate in any phase of the procurement process.

3. Conflict of Interest

3.1 Employees engaged in the procurement function are expected to be free of interests or relationships, which are potentially detrimental to the best interests of the University, and shall not engage or participate in any commercial transaction involving the University, its affiliates, divisions or subsidiaries in which they have a significant undisclosed financial interest.

3.2 Any employee engaged in procurement that has assumed, or is about to assume, a financial or other outside business relationship that might involve a conflict of interest, must immediately inform the supervisor of the circumstances involved. This information is to be reviewed at an appropriate level for decision on whether a conflict of interest is present and, if so, what course of action is to be taken. In this connection, a conflict of interest exists where an employee:

3.2.1 Has an outside interest that materially encroaches on time or attention, which should be devoted to the affairs of the University.

3.2.2 Has a direct or indirect interest in or relationship with an outsider that is inherently unethical or that might be implied or construed to be, or make possible personal gain due to the employee's ability to influence dealings; render the employee partial toward the outsider for personal reasons or otherwise inhibit the impartiality of the employee's business judgment; place the employee or the organization in an equivocal, embarrassing or unethically questionable position; or reflect on the integrity of the organization.

3.2.3 Takes personal advantage of an opportunity that properly belongs to the University.

3.2.4 Uses University property without approval.

3.2.5 Buys or sells stock at a time when the employee has "inside" information because of his position or job within the University.

3.2.6 Discloses University trade secrets or any other proprietary information to unauthorized persons.

4. Conflict of Interest concerning Contract Management Handbook

4.1 Per the Texas A&M University System Contract Management Handbook Section 5:

4.1.1 To avoid conflicts of interest state agencies shall require all potential contractors to disclose, in their responses to solicitations, any actual or potential conflicts of interest in their proposed provision of services or other performance under any contracts resulting from the solicitations. Specifically, principals of debarred vendors (i.e. owner, proprietor, sole or majority shareholder, director, president, managing partner, etc.) shall be identified to ensure such vendors/principals are not awarded,

extended or renewed any contract. Further, respondents should also be required to update that information throughout the terms of any contracts resulting from the solicitations.

4.2 Additionally under Section 2252.901, Texas Government Code, agencies may not enter into employment contracts, professional services contracts or consulting services contracts under Chapter 2254 with former or retired employees before the first anniversary of the last date on which the individual was employed by the agency if appropriated funds are used to make payments under the contract.

4.3 Further, effective January 1, 2016, a contracting business entity must submit a notarized copy of the disclosure of interested parties form prescribed by the Texas Ethics Commission to members for any contract (including an amendment, extension, or renewal) that has a value of at least one million dollars or requires action by the Board of Regents, unless it falls into one of the following categories:

- Contracts with other state agencies (including other state institutions of higher education)
- municipalities, counties, public school districts, or special-purpose districts or authorities
- Contracts with the federal government
- Contracts with foreign governments
- Employment contracts
- Sponsored research contracts
- Contracts related to health and human services if the value of the contract cannot be determined at the time the contract is executed and any qualified vendor is eligible for the contract; or
- Grant (non-contract) documents

4.4 A “contracting business entity” includes a sole proprietorship, partnership, corporation, limited liability company, nonprofit entity, foreign company, or other legally recognized business entity other than those governmental entities indicated above.

4.5 Information regarding contracts that require Board action can be found at <https://policies.tamus.edu/25-07.pdf>. The member may not sign a contract until the entity provides the form. Further, no later than 30 days after the full execution of the contract the member must provide the form’s certification number to the TEC as described on the TEC website. More information regarding this requirement can be found at <https://www.ethics.state.tx.us/filinginfo/1295/> or by contacting the Office of General Counsel.

4.6 Members shall also require respondents to:

4.6.1 Represent and warrant that their provision of services or other performance under the agreement will not constitute an actual or potential conflict of interest and represent and warrant that it will not reasonably create even the appearance of impropriety.

4.6.2 Disclose any current or former employees who are current or former employees of the member.

4.6.3 Disclose any proposed personnel who are related to any current or former employees of the member. Represent and warrant that they have not given, nor intend to give, at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor or service to a public servant or employee or representative of the State of Texas in connection with the solicitation.

4.7 Contractors should not be allowed to assign any portion of the contract or their performance, to others, for example, subcontractors, without the prior written consent of the member. Contractors remain responsible for the performance of the contract notwithstanding any such assignment or subcontract. This ensures that the evaluated and selected entity will actually be responsible

for performance and that proposed transactions may be reviewed for compliance with the conflict of interest and related party provisions.

5. The Texas A&M University System Conflict of Interest Policy

5.1 For specific policies related to Conflict of Interest within The Texas A&M University System please visit:

5.2 Conflict of Interest:

- <https://policies.tamus.edu/07-01.pdf>
- <https://policies.tamus.edu/07-03.pdf>

5.3 Conflict of Commitment:

- <https://policies.tamus.edu/07-01.pdf>
- <https://policies.tamus.edu/31-05-02.pdf>

5.4 Outside Activities:

- <https://policies.tamus.edu/31-05.pdf>
 - <https://policies.tamus.edu/31-05-02.pdf>
-

1. Purpose

This Rule provides information and procedures for current and expired quotes.

2. Scope

This Rule applies to all vendor provided quotes for a purchase request. The date of the quote provides product availability and product cost.

3. Procedure

3.1 All quotes should have the following:

- Name of Company
- Address
- Phone Number/Email Address
- Sales Representative
- Unit Price/Total Price to
- Any installation fees
- Delivery fees
- Date quote was issued
- Itemized description of each purchase request item
- Model Number/Item Number
- If the vendor is quoting either a State or Cooperative Contract, the Contract Number must be listed directly on the quote.

3.2 Quotes are understood to be valid for 30 calendar days unless stated otherwise directly on the quote.

3.3 Expired quotes will not be accepted and an updated quote will be required.

3.4 Shopping cart or web printouts and not considered a valid quote and will not be accepted for the purchase request.

3.5 The vendor should be contacted directly to request an initial quote, revised quote or updated quote if expired.

1. Purpose

This procedure outlines a checklist for evaluating competitive specifications.

2. Scope

This procedure shall apply to all purchases that require detailed specifications.

3. General

3.1 The statement of work (SOW) is the basic framework and the specification are included in the statement of work. It is important that the statement of work:

- Secure the best economic advantage using best value
- To be clearly defined
- Be contractually sound
- Be unbiased and non-prejudiced toward respondents
- Encourage innovative solutions to the requirements, if appropriate
- Allow for free and open competition to the extent possible

3.2 The following items are examples of things that may be included in the SOW:

- Specifications
- Does the solicitation (Invitation for Bids/Proposals/Qualifications) have the following characteristics? YES NO
- Provides quality specifications which:
- Allows for both product and price competition?
- Identifies the minimum acceptable requirements of the user?
- Establishes performance and/or design characteristics with which compliance can be enforced?
- Provides a methodology for bid evaluation and for an equitable award to the responsible bidder rendering the best value with all the mandatory specifications, terms, and conditions (the lowest responsive responsible bidder)?
- Provides general and special terms and conditions which protect the interests of the University and the State?
- Does the quality specifications have the following characteristics?
- Competitive in both product and price? Identify at least two commercially available brands, makes or models when possible. Avoid unneeded extras that could reduce competition.

- Simple, but exact? Avoid unnecessary detail, but complete enough to ensure requirements will satisfy their purpose.
- Accurate? Use units of measure compatible with industry standards. All quantities and packing requirements should be defined. Verifiable (i.e., capable of being checked)?
- Clear? Use understandable terminology and avoid legalese type language when possible.
- Flexible? Avoid inflexible specs which prevent acceptance of a bid that could offer greater performance.
- Other items for consideration:
 - What item, material, equipment, or service is needed?
 - What quantity or level of effort is needed?
 - Is the proper unit of measure used?
 - Who is the end user?
 - What is the intended use? (What is to be accomplished?)
 - What are the conditions of use?
 - What specific maximum essential functions must be performed?
 - Are limitations (weight, size, strength, compatibility, etc.) prescribed?
 - What are the power and special environmental needs (electric voltage, wattage, air conditioning, water, drains)?
 - Are there special statutory or regulatory requirements?
 - What are the operator/maintenance manuals, or other documentation needs?
- Deliverables
 - Are there special delivery needs?
 - Schedules shipments?
 - On-call shipments?
 - Just-in-time shipments?
 - Stockless inventory?
 - Inside delivery and/or assembly?
 - Multiple delivery locations?
 - What is the frequency of the service or task?
 - What are the installation needs?
 - What are the inspection, testing, and acceptance needs?

- Samples (or statistical/sequential sampling)?
- Plant inspections?
- Laboratory tests?
- Manufacturer’s certifications?
- Bench marks?
- Demonstrations?

3.3 Should include, description of work, standard of performance, test conditions/method/procedure to verify standards are met, process to monitor or ensure quality, acceptance process, compensation structure consistent with the type and value of work and contractual remedy (if appropriate).

3.4 Should also, include minimum qualifications required of the contractor. At a minimum, the SOW should require the contractor have a specified level of experience in the type of work to be performed.

4. Contract Term

4.1 Reasonable term that is compliant with applicable laws must be established prior to solicitation and must be included in all solicitation documents. Contracts typically have a specific end date. It is recommended that the maximum time for contracts without reissuing a competitive solicitation be five (5) years, including any renewal/extension periods. Contracts must also include a “funding out” clause.

- Contract renewability?
- Is the Contract aligned with Fiscal Year?

5. HUB Requirements

5.1 Agencies should make a good faith effort to utilize HUB’s in accordance with the goals specified in the most recent State of Texas disparity study. Goals may be achieved through contracting directly with HUBs, or indirectly through subcontracting opportunities.

5.2 For contracts with an estimated value over \$100,000 and when subcontracting opportunities are identified as probable/possible, a HUB plan must be required with the solicitation. Depending on the scope of the solicitation, a HUB Subcontracting Plan form or a HUB Participation Plan may be utilized for the HUB plan requirement. A respondent’s failure to provide the HUB plan meeting the requirements stated within the solicitation will be considered non-responsive.

5.3 If subcontracting opportunities are not anticipated, a waiver which includes the justification must be approved and signed by the HUB Director/Manager and kept in the file. Federal sponsored research/instruction/awards also have requirements for utilization of disadvantaged or minority entities. Members should follow the federal requirements for such sponsored research/instruction awards.

6. Federal Small Business Administration (SBA) Requirements

6.1 If applicable, agencies should make a good faith effort to meet the goals and requirements of their small business sub-contracting plan.

6.2 A small business subcontracting plan is required if an agency has a negotiated federal acquisition expected to exceed \$700,000.

7. Payment Terms

7.1 Have a direct impact on how the SOW is written and how the contract is managed.

7.2 Payment terms outline how work is measured/verified and how much is paid and how often payment is made to the contractor.

7.3 Payment should be consistent with the product or service delivered, and structured to fairly compensate the contractor and encourage timely performance.

7.4 Payment should reflect the value of the work performed.

7.5 Agencies can control the payment process by dividing overall payment into smaller amounts to reflect increments of work or deliverables. By doing so, you can mitigate financial risk and limit the scope of a dispute to a discrete deliverable.

7.6 Payment types: Cost Reimbursement, Cost Plus Incentives, Fee for Service, Firm Fixed Price, Firm Fixed Price with Escalator, Progress (not allowed in client services contracts), Time and Material (for labor contracts).

8. Standards/Warranty

8.1 A warranty is a type of standard that can describe performance. You may use warranty language as a contractual standard of performance. Best practice is to include clear standards for performance or an expressed warranty describing the objective expectation of performance.

- What are the minimum needs for warranty?
- Type?
- Coverage?
- Terms?
- Service center location? On-site service?
- What are the minimum need for on-call/on-site remedial and/or preventative maintenance service?
- Response Time?
- Principal Period of Maintenance?
- Method of Billing?
- What are the minimum needs for manufacturer support?
- Have the following special needs been addressed?
- Conversion of the present system?
- Switch over from present system?
- Trade-ins (as in where is)?
- Performance, payment, and/or bid bonds?
- Liquidated Damages?
- Expediting (critical timing)?

- Contractor Qualifications
-

9. Bonding Requirements

7.1 The three most common forms of bonds:

7.1.1 Bid bonds (deposits)

7.1.2 Performance Bond

7.1.3 Payment Bonds.

7.2 You must advise respondents in a solicitation if a bond is required and what types are acceptable. The cost of a bond is usually passed on to the Member, so you should take that into consideration when determine whether to use a bond.

8. Purchasing Goals

8.1 In your opinion, will these “competitive” specifications, terms and conditions, and bid evaluation method, achieve the purchasing goals of:

- Buying the right quality?
- Buying the right quantity?
- Buying at the right time?
- Buying at the right price?
- Buying from the right supplier?
- Buying in the right manner?

Reference: TAMUS Contract Management Handbook.

1. Purpose

To establish uniform procedures for the evaluation committee formation and procedures in regards to Request for Proposals (RFP) and Request for Qualifications (RFQ) as per the Texas A&M University System Contract Management Handbook.

2. Scope

These procedures apply to all procurement procedures dealing with contract management. This procedure outlines all the details needed to form and work through the committee procurement process.

3. Procedure

3.1 Evaluation teams should be comprised of individuals who are stakeholders in the final product or service and of individuals who have the necessary technical or program expertise.

3.1.1 A representative from the purchasing department is usually the team leader and serves as a non-voting Member.

3.1.2 The remaining team Members are typically chosen by the department staff, and approved by management.

3.2 All team Members should understand the need and desired outcome of the procurement.

3.2.1 The evaluation team may have input into the solicitation, particularly the evaluation criteria and weights. It is important that team Members fully understand the requirements of the solicitation and are able to critically read and evaluate responses.

3.2.2 Team size can vary, but 3-5 Members are recommended.

3.3 A scoring matrix should be part of your evaluation guide, and will be used to score the individual responses based on the criteria previously defined. The scoring matrix should be completed prior to publishing the solicitation document because it may bring up a need for the solicitation document to be updated.

3.4 Prior to distributing proposal responses to the evaluation team Members, the team leader provides training and outlines the team's duties and responsibilities.

3.4.1 Team Members should be instructed on their responsibilities including the critical nature of confidentiality of the evaluation process.

3.4.2 Each team Member should submit a signed Non-Disclosure Statement to the Purchasing department prior to engaging in any discussion about, or having access to proposal documents.

3.5 Functions of the Committee: The evaluation committee tasks include, determine and apply evaluation criteria, evaluate proposals individually and/or discuss rank and/or develop a shortlist, interview/obtain clarifications and recommend an award.

3.6 The evaluation committee first reviews all of the relevant information (e.g., scope of work, description/specifications).

3.6.1 Analyses the weighted evaluation criteria and point system that established the standards by which to measure how well an offeror's approach meets the criteria.

3.6.2 Does the information provided meet the needs of the requesting department or the RFPs performance requirements and only those standards listed in the RFP can be considered in the evaluation of competing offers.

3.7 The second major task of the committee is to agree upon a scoring method to rate or rank the offer within each criteria point system. Once a scoring system has been devised, it must be impartially applied to each proposal.

3.8 Clarify each member's role on the committee and establish a work plan and to adhere to the RFP Tentative Timetable/Schedule that includes clear milestone projected dates.

3.9 The committee must review the solicitation documents (Request for Bids or Request for Proposals) and then review procedures to be used during the process.

3.10 Committee members should work out an acceptable workload arrangement with their supervisor in order to allow time for committee activities. Management must be supportive of all the arrangements so that committee members can adequately fulfill their evaluation duties.

3.11 Committee membership obligates the individual to both a commitment of judgment as well as time. Participants serving on a committee evaluating proposals are morally bound to be as objective and fair as possible, since these decisions impact the expenditure of university funds and the business livelihood of the offerors in the private sector. Members should also be prepared to make a priority commitment of time, since a timely turnaround on award recommendation is important.

3.12 Committee members should exhibit a competent, non-authoritarian attitude in representing the university's position on any particular procurement. There should be a strong resolution as to the needs and interests of the university from the very beginning of the procurement.

3.13 Members should be reasonable, open-minded, and willing to entertain and consider suggestions and compromises that could ultimately result in a better contract for the university. Internal committee deliberations over the merits of proposals should be constructive discussions. Members have the right to voice their opinions to either make or refute a point.

3.14 Evaluation committee members are expected to conduct themselves in a professional manner at all times when dealing with prospective offerors, actual offerors, or the general public. The opportunities for outside interaction can present themselves a number of times. Pre-solicitation conferences, proposal openings and oral presentations are typical examples of outside interaction.

3.15 Inherent in committee membership is a trust that all proceedings be held in confidence until final contract award is a matter of record. In practice, all outside questions relating to any area of the procurement process should be referred to the committee chair.

3.16 Individual committee members are responsible for defending their own vote. A voting committee member is charged with recommending the award of a contract to the offeror who gives the best proposal response to the university's RFP.

3.17 The evaluation committee is comprised of university staff. The committee should include both technical and administrative personnel and, if appropriate, should include user department staff and persons from other departments. Members of the evaluation committee or their immediate family shall not have any financial interest in or any personal relationship with any of the offerors. If requested, Procurement will help coordinate the selection of committee members and assign tasks.

3.18 To ensure integrity in the process as well as fair and open competition, the committee members will be instructed to retain all evaluation documents; including worksheets, evaluation forms, and notes during the evaluation. These will be returned to the chair for future reference and referral. Committee members will also be instructed to individually and independently evaluate, 3.19 score and rank proposals by applying the same objective criteria and to refrain from discussion with any other member during the evaluation process until which time the committee meets as a whole to discuss their individual ratings and rankings.

3.20 Committee members are encouraged to take as many notes as they feel necessary when reading through proposals. Not only does it help them to mentally organize the information, but also aids in any recap required to come up with final scoring. In addition, the notes become a quick reference tool to an individual when the committee meets as a group to discuss each proposal.

4. Responsibilities of the Evaluation Committee Chair

4.1 Upon formation of the evaluation committee, the chair will convene a meeting to provide instruction and direction on the process, role, responsibilities and requirements of the committee/team. Typically, the chair and the end-user determine the composition of the committee.

4.2 The chair of the evaluation committee (i.e., Procurement representative or school/department representative) is charged with the responsibility of assuring that the committee's actions are in accordance with all TAMU System policies, TAMUK procedures and applicable guidelines.

4.3 The chair establishes a timetable for evaluation activities and assumes the responsibility for keeping activities on schedule. If necessary, intervention by Procurement and Travel Services to assist in enforcing the completion of scheduled events can be solicited.

4.4 The chair is responsible for scheduling and coordinating the activities of the evaluation committee; however, these efforts can be negated if the committee members are not cooperative and do not make the required time commitment to committee activities. Participation on an evaluation committee is a priority effort.

4.5 The chair works with the Procurement Office to arrange the time, date and place for any contractor presentation sessions that the committee feels are necessary.

4.5.1 The Procurement Office notifies the offerors.

4.5.2 The offerors are individually scheduled to appear before the committee.

4.5.3 All other offerors are normally not in attendance.

4.6 The chair will customarily will seek from the committee member to submit a certain set of questions that apply to all the offerors invited for presentation and in addition, specific questions that are directed to specific offerors.

5. Responsive Proposals

5.1 Once proposals are opened and recorded, the Purchasing Department must determine if the proposals submitted are responsive. At a minimum, this includes submission of the signed Execution of Offer, technical proposal or similar document, HUB subcontracting Plan, if applicable, and any other required documents such as bid bonds.

5.2 Purchasing will also review that the minimum qualifications are met. Occasionally, consultation with legal counsel may be necessary to determine a proposal's responsiveness. An administrative review checklist ("Response Tabulation" in the TAMUS Contract Management Handbook) is a good tool for ensuring the proposals are responsive.

5.2.1 It also can be used to compile your complete list of respondents and their contact information.

5.3 Please see TAMUS Contract Management Handbook Appendix (Section C) for a sample Response Tabulation. Only proposals deemed responsive will be provided to the evaluation team.

5.4 Single Responses:

5.4.1 If only one response is received to a competitive solicitation, the Purchasing Department should determine why this occurred. The Member should review the solicitation for any unduly restrictive requirements.

5.4.2 If it is determined that the requirements were unduly restrictive, the Member may choose to re-advertise the solicitation. Otherwise, the Member should consider the reasons that other responses were not received and determine if it is in the best interest of the state to make an award, negotiate with the single respondent, readvertise with a revised solicitation, or to determine if a single source purchasing justification is required.

6. Functions of the Procurement Office

6.1 At the request of the department needing the goods/services, the Procurement representative may serve as the committee chair. Other responsibilities include:

- Will vote, if requested to be an evaluation committee member by the committee chair.
 - Ensures integrity of procurement system
 - Ensures compliance with RFP requirements
 - Schedules offerors interview/presentations
 - Keeps minutes and files
 - Corresponds with RFP respondents
 - Negotiates financial issues
-

7. Proposal Evaluation

7.1 Once the proposals have been deemed responsive by the Purchasing Department, the evaluation team shall be provided with the qualified responses. Evaluations may be conducted in the same room, evaluating the proposals at the same time. This will facilitate questions by team Members to the purchasing staff or technical experts. Due to time constraints and other factors it is typical to have evaluation Members working from their own workspaces. If this is the case, purchasing staff and technical experts should be available to answer questions.

7.2 Evaluation team Members should only ask questions in the areas related to the evaluation criteria presented in the solicitation document or the evaluation guide. Unless stated otherwise in the evaluation guide, Members may not conduct independent conversations, but should ask questions through the team leader.

7.3 The evaluation team may verify references at this point in the process. This can be done through the Purchasing Department, who would contact all references and attempt to receive answers to questions developed by the evaluation team. The team may choose to only contact references from a short list of responses based on initial scoring/ranking. Another option is to use the Vendor Performance System in evaluating past performance

7.3.1 <https://www.comptroller.texas.gov/purchasing/programs/vendorperformance-tracking/>

8. Evaluation Plan Additional Steps

8.1 The first step in developing the evaluation plan is to identify parameters to be used in the solicitation method. These parameters will measure the most important aspects of the offerors proposals. Weighted rating factors are then assigned to the parameters which become the evaluation criteria and must reflect the relative importance of each factor in the overall evaluation.

8.2 By reviewing the proposed weighting at this stage, Procurement can help the end-user ensure that the most significant factors drive the choice of the recommended offeror. Again, the relative weighting of each component will differ for each RFP issuance. Finally, the plan must indicate which offeror selection method will be used.

8.3 To establish the evaluation plan, considerable collaboration with, and input from, the end-user must be secured. Consensus among all interested parties as to the manner in which proposals will be evaluated, as well as the process and methods used, must be achieved prior to the commencement of the solicitation.

8.4 The purpose of the evaluation process is to identify the most responsive proposal and to ensure sufficient accurate information is included to make a sound decision. A well-defined and thorough RFP will result in a solicitation with multiple responses. Inclusion of the evaluation method and criteria within the RFP is vital to achieving proposals that will meet the objective of the solicitation.

9. Evaluation Criterion:

9.1 RFP award decisions are based on the proposal affording the best value - in other words, not only on the price but also on technical quality and other factors of the proposal. Therefore, fair evaluations based on clearly defined evaluation criteria are very important. These criteria, including price and non-price factors, weights and values by category, minimum upset score by category, where appropriate, and the evaluation matrix, should appear in the RFP document. At a minimum, the order of importance of the criteria should be stated.

9.2 Evaluation criteria are designed to determine which competing proposal represents the best value or the optimum balance between price and quality. Consider having a combination of minimum mandatory criteria as well as rated criteria. Evaluation criteria should relate directly to:

- The proposer’s understanding of the requirement.
- Experience of the offeror in providing services of similar size and scope.
- Professional qualifications and experience of the resources being proposed.
- The proposed approach, work plan or solution.

9.3 Procurement staff can provide guidance on the most appropriate way to factor in price for your specific requirement. Always do a sensitivity analysis to ensure that the most relevant or important criteria drive the decision.

9.4 Steps in the Evaluation Process: While the evaluation process is slightly different for every RFP, a strong similarity can be anticipated.

9.4.1 Typically there are five (5) steps in the process:

1. Review for inclusion of mandatory requirements.
2. Discussions for clarification.
3. Preliminary evaluation.
4. Tentative cost evaluation.
5. Discussion with responsible offerors for best and final offers.

10. Procurement Employees and Departmental Employee

10.1 There are a number of important responsibilities for which Procurement and the departmental employees should take note. First is the review of proposals for completeness – or “determination of responsiveness.” When the university solicits proposals through the RFP process, any and all contractual terms and provisions may be subject to negotiation.

10.2 Accordingly, the university is permitted greater latitude in considering proposals that fail to conform to the requirements of the solicitation or which qualify their response or suggest alternatives to the university’s stated requirements. It is the soliciting Procurement Office and the department’s responsibility to review all timely proposals to determine their responsiveness.

10.3 The Procurement Office must determine whether or not the omission of any requirement of the solicitation document or modification thereof is material. Such a determination cannot be made without considering the possibility of waiving these deviations

as possible minor technicalities. This interpretation is based on the professional judgment of the procurement official in conjunction with the end user.

11. Non-Responsive Proposals

11.1 Some proposals during the review will typically be deemed to be non-responsive. Examples of minor irregularities and informalities include but are not limited to the failure of an offeror to:

- Provide information concerning the number of its employees.
- Return the number of copied, signed offers required by the solicitation.
- Furnish affidavits concerning parent company and affiliates.
- Failure to provide required insurance documents.
- Failure to provide requested samples.
- Failure to return the proposal addendum or amendment, if on the face of the offeror's submittal, it is apparent to procurement that the offeror was aware of the addendum and their proposal was submitted in accordance therewith.

11.2 The Procurement and Travel Services Office or the offeror may initiate clarifications to eliminate minor irregularities or apparent clerical mistakes.

11.2.1 However, it is the Procurement and Travel Services Office responsibility to verify any variances between the offeror's proposal and the RFP.

11.3 The Procurement and Travel Services Office has the right to reject proposals that cannot be made responsive. Although the university has greater flexibility in the case of RFPs than in the case of Bids, certain mandatory requirements may be essential to the performance of the contract.

11.3.1 This includes insurance requirements, license requirements and certain types of certifications. The determination of responsiveness must consider whether the offeror is capable of meeting these requirements in an acceptable time frame prior to any contract award.

11.3.2 Following the determination of responsiveness, all proposals received should be screened for compliance with mandatory requirements. Any discrepancies will be noted, along with proposals that are non-conforming, once the initial review is completed.

11.3.3 If the offeror provides sufficient evidence within their response submission that it intends to comply with all mandatory terms and conditions prior to award of the contract, the evaluation committee may waive the non-compliance as a minor irregularity. It is highly unusual for a proposal not to comply with mandatory requirements.

11.3.4 An offeror who fails to meet a mandatory submittal requirement is usually eliminated from further consideration with regard to the RFP. The decision to eliminate a proposal submission must be thoroughly documented to justify the committee's decision.

11.4 Mandatory requirements must be clearly stated in the RFP. These requirements may be administrative, such as "Proposals are due by April 3 and must be received no later than 2:00 pm", at the specified location or by submittal within the e-procurement system JavelinaBuy.

11.4.1 These requirements may be technical in nature, identifying a critical feature or functional capability. For RFPs with mandatory requirements, the evaluation process will be a two-step process.

11.4.2 The committee first examines each offer's stated ability to satisfy the mandatory requirements. Offers unable to meet these standards are eliminated from further consideration. Once compliance is determined, the committee members assign a score to each proposal based on the evaluation criteria defined in the RFP.

11.5 A mandatory condition is a requirement that must be met without alteration.

11.5.1 One example is the submission of the proposal by a specified time. If it is late, it is usually returned to the supplier unopened.

11.5.2 Another example is a requirement that the offeror must provide 24-hour emergency service.

11.6 To ensure that offerors do not miss mandatory requirements scattered throughout the RFP, all of the mandatory requirements should be identified in one section of the RFP.

11.7 Many evaluators can be uncomfortable eliminating an offeror from further consideration for failure to satisfy a mandatory condition, especially when the contract specialist deems the requirement to be only "highly desirable."

11.8 It is incumbent upon the Procurement and Travel Services Office to ensure that mandatory requirements are precisely defined and must be essential elements for the success of the project.

11.9 The process of proposal rejection is awkward and sometimes embarrassing when the mandatory requirements are unclear and could be interpreted in several ways. In order to compensate for error, all proposals may be declared to be responsive, examine the actual requirement more closely, and seek clarification from the offerors. Committee members should evaluate each proposal on its merits. Failing to deal properly with mandatory requirements may lead to litigation.

12. Proposals sent to the Evaluation Committee

12.1 Following the review for responsiveness, proposals will be distributed to the evaluation committee. Generally, each committee member will review a proposal in its entirety. Occasionally, a subject matter expert (i.e. technology employee) will do a special review of a particular section. Scores received from these individuals are incorporated into the final scoring matrix.

12.2 Each member of the evaluation committee must receive a complete copy of each proposal, a copy of the original RFP including all addenda, and an evaluation committee scoring sheet for each proposal. This information will be distributed promptly in order to provide each committee member adequate time to review and evaluate each proposal. Each committee member should have a preliminary score entered for each proposal prior to the first committee evaluation meeting.

12.3 Proposals shall ONLY be evaluated by using the criteria listed in the EVALUATION CRITERIA section of the RFP. Initial evaluation must be based solely upon the proposal submitted; no other or additional information is to be used.

12.4 Any evaluation committee meeting discussion must be recorded by a sign-in sheet or a virtual meeting invitation. If an oral presentation from proposers is part of the meeting, discussions must be recorded by a sign-in sheet or a virtual meeting invitation or have minutes recorded.

12.5 The evaluation committee should begin work by establishing procedure, with a general discussion of their tasks, and review of the proposals received. The committee member(s) assigned to review references should make a report to the committee. On highly technical matters, a technical review sub-committee should make a report to the full committee. After discussion and reports, each member will review their scoring sheets and pass them to the committee chair for tabulation. It is best practice for the committee to come to a consensus based on the evaluation criteria and discussion of the committee.

13. Presentations

13.1 Oral presentations or interviews are conducted at the option of the Member. The solicitation document should state this as an option and provide an estimated timeframe of when presentations may occur.

13.1.1 These discussions provide an opportunity for respondents to highlight the strengths of their response and to provide answers to questions the Member may have.

13.1.2 Demonstrations of product functionality may also be done when appropriate.

13.1.3 Oral presentations can be scheduled for all respondents or limited to the top ranked vendors. Oral presentations should be fair to all parties. Allotted time and format should be the same for all presenters. It is helpful to use a prepared script to ensure consistency. The Procurement and Travel Services Department shall identify a method to determine the order of presenters that will ensure impartiality of the process.

13.2 Committee Members Responsibilities concerning Presentations:

13.2.1 Oral presentations by proposers should be for clarification purposes only. Committee members shall not communicate with proposers outside of presentations. The committee may not receive or consider any material, additions, or changes to the proposal submitted. If oral presentation option is offered to all proposers, the presentations shall occur before individual scoring sheets are submitted to the committee chair.

13.2.2 If oral presentations are available only to the finalists, then new, evaluation scoring sheets will be distributed to the committee prior to presentations. Each committee member will re-evaluate each of the finalists on both the oral presentation and the proposal submitted using the same process of tabulation as noted above.

14. Finalists

14.1 Once the finalists have been rated, the committee should review the process and reach a consensus on the ratings and on a recommendation for award to the first ranked proposer(s).

14.2 The university shall reserve the right to further negotiate any terms or conditions, including price, with the highest rated proposer. If an agreement cannot be reached with the highest rated proposer, the university reserves the right to negotiate and recommend award to the next highest rated proposer or subsequent proposers until an agreement is reached.

14.3 The committee chair shall be responsible for the following: All of the individual scoring sheets collected, minutes, and tabulations. All RFP information including the evaluation committee scoring sheets, tabulations, and minutes, may become public record.

15. Award

15.1 The purchase of goods and/or services typically will be awarded to the lowest responsive bidder; however, best value criteria may also be considered as allowed pursuant to Texas Education Code, 51.9335.

15.1.1 The Member shall select a finalist(s) for award for the purchase of goods and/or services that provides the best value for the state.

15.2 The following may be considered in evaluation for award:

15.2.1 Determine responsiveness to solicitation requirements.

15.2.2 Evaluation of responses according to the criteria laid out in the planning process and included in your statement of work. During the evaluation and award step, each response will be rated individually against each criterion.

15.2.3 Consideration of presentations and interviews if applicable.

15.2.4 Best and Final Offers, if applicable.

15.3 Explanation of Selection: Documentation shall be maintained to verify each of the steps taken in the evaluation process described above.

15.4 Upon award and execution of a contract, the Member shall make any notifications required by law.

15.5 When the committee members have completed their individual reading and scoring of proposals, the committee chair assembles the committee as a group. These group/team meetings are the center points of the evaluation process. The discussions on each proposal and the resulting deliberations are the means by which the Committee can ultimately arrive at a collective decision. At this stage, the committee process is dynamic; it is designed to solicit the perspectives and opinions of all voting members. What one committee member may have understood about a certain concept or approach may differ from what another member may have perceived. A committee can go back and forth until all members are convinced of their choices and the rationale behind them.

15.6 Depending on the degree of agreement/disagreement within the committee, the committee chair may deem it necessary to end the present committee meeting and reconvene the group for another meeting at a later date. In the interim, committee members may choose to re-read certain proposals or sections of proposals in order to confirm their particular convictions or to verify the positions of the committee members. Once the committee has met several times as a group, it is hoped that a unanimous decision on award recommendation can be made. However, when it is clear that only a consensus opinion has resulted, then the committee should go forward with both a majority and minority report.

15.7 Once a selection has been identified, the committee chair will provide a written recommendation to the Procurement and Travel Services Department supporting its review and recommendation. If management approves the committee's recommendation, the procurement action will continue through the normal university procurement and contract approval process.

15.8 If Procurement and Travel Services Office rejects the committee's recommendation, and selects a different vendor, then Procurement and Travel Services Office will notify the committee chair of this action along with the reasons and justifications. Procurement and Travel Services Office may reject all of the vendors and ask that the procurement process be re-opened and the committee will be reconvened to review the new bids and quotations.

16. Negotiations

16.1 Members may negotiate terms and conditions on some, but not all, solicitations. A competitive sealed bid, for example, does not typically allow for negotiations, while a competitive sealed proposal (Request for Proposal) does allow for negotiations. Best practice is to read the requirements of the applicable procurement procedure to verify that negotiation is permissible.

16.2 Negotiators are not authorized to use technical leveling or technical transfusion techniques. Technical leveling is helping a respondent to bring their proposal up to the level of others through successive rounds of discussion, usually pointing out proposal weaknesses. Technical transfusion is the disclosing of technical information approaches from one response to other competitors in the course of discussion.

16.3 Prohibited disclosures during negotiations include:

- Disclosing competing respondents' cost/price (even if the vendor name is not disclosed).
- Advising respondents of their price standing relative to other respondents.

16.4 In negotiations, always take care to avoid inadvertently changing the stated contracting objectives. If the contracting objectives are changed, the pool of potential respondents will no longer be on an equal level. Additional vendors may have competed, had the new objectives been part of the original solicitation. If it appears that contracting objectives may have been changed, legal counsel must be consulted before moving forward.

16.5 When determining negotiation strategy, be careful if you choose to give vendors a cost/price that must be met to obtain further consideration, as this could deprive the competitive process from generating the best value to the state. Remember that the above prohibitions still apply, disclosing competing respondents' cost/price is not allowed, even if done without tying information to a specific vendor. Negotiations should be tailored to the particular circumstances of the competition. The Member may continue to negotiate until the best interest of the state is achieved and an award has been made.

16.6 Planning is essential in negotiations. Best practice is to meet with Members of the contracting team and divide the terms and conditions into groups. Identify the terms that are essential to the agreement. These are the terms which the Member is unwilling or unable to compromise. Then identify the terms and conditions that are desirable but not essential, which the agency is willing to compromise or relinquish.

Reference: Texas A&M University System Contract Management Handbook

PP-065 Purchasing Accountability and Risk Analysis Procedure

(Previously P-065)

Approved January 26, 2018

Revised August 24, 2018

Next Schedule Review: January 26, 2023

1. Purpose

1.1 Each state agency by rule shall establish a procedure to identify each contract that requires enhanced contract or performance monitoring and submit information on the contract to the agency's governing body or, if the agency is not governed by a multimember governing body, the officer who governs the agency. The agency's contract management office or procurement director shall immediately notify the agency's governing body or governing official, as appropriate, of any serious issue or risk that is identified with respect to a contract monitored under this subsection. [Tex. Gov. Code Sec. 2261.253(c)] (d) this section does not apply to a memorandum of understanding, interagency contract, interlocal agreement, or contract for which there is no cost. [Tex. Gov. Code Sec. 2261.253(d)]

2. Scope

This procedure applies to all employees who participate in any phase of the procurement process.

3. Procedure

3.1 Purchasing Accountability and Risk Analysis Procedure-Texas A&M University System:

3.1.1 Texas Government Code 2261.256 states that each state agency shall develop and comply with a purchasing accountability and risk analysis procedure.

3.1.2 The procedure must provide for the following three objectives:

Objective 1:

Assess the risk of fraud, abuse, or waste in the contractor selection process, contract provisions, and payment and reimbursement rates and methods for the different types of goods and services for which The Texas A&M University System contracts.

Contractor selection process: The purchase of goods and/or services typically will be awarded to the lowest responsive bidder; however, best value criteria may also be considered as allowed pursuant to Texas Education Code, 51.9335.

Contract provisions: Section 9.B.c of the TAMUS Contract Management Handbook and section C of the TAMUS Contract Review Checklist outline provisions that should be included within Texas A&M University System member contracts.

Payment and reimbursement rates and methods for different types of goods and services:

- Payment should be consistent with the product or service delivered, and structured to fairly compensate the contractor and encourage timely performance.
- Payment should reflect the value of the work performed. Members can control the payment process by dividing overall payment into smaller amounts to reflect increments of work or deliverables. By doing so, you can mitigate financial risk and limit the scope of a dispute to a discrete deliverable.
- Section 14.D. of the TAMUS Contract Management Handbook lists example payment types used or different types of goods and services.

Objective 2:

Identify contracts that require enhanced contract monitoring or the immediate attention of contract management staff.

Enhanced contract monitoring: The purpose of enhanced monitoring is to identify potential issues and risks in the contract and either mitigate or avoid the risk completely. System members shall consider these issues when determining which contracts will require enhanced monitoring.

For contracts that have been identified as requiring enhanced monitoring, each member shall establish a procedure to notify their respective CFO and CEO as applicable. This notification may be done using the Contract Reporting Form (attached).

If appropriate or required, the A&M System CFO shall be notified and will work with the Chancellors Office and the Office of General Counsel to assure the Board of Regents is aware of all high-risk contracts and any serious issues that arise during performance of the contract.

Below is a list of contracts that may require enhanced monitoring:

- Outsourcing agreements.
- Construction contracts (multi-trades).
- Contracts over \$1,000,000.
- Agreements that require progress payments based on performance.
- Agreements that extend beyond five years.
- Agreements where a vendor is failing to meet their obligations.
- In addition to the list above each member may establish additional parameters or types of contracts that require enhanced monitoring.

Additional information on contract monitoring can be found in Section 10.D. of the TAMUS Contract Management Handbook.

Contract Management review: The TAMUS Contract Management Handbook, Section 10, outlines the responsibilities of the Contract Manager. This includes review of solicitation documents as well as review and approval of the terms and conditions of the proposed contract. These responsibilities apply to all contracts, including those that require enhanced monitoring.

Objective 3:

Establish clear levels of purchasing accountability and staff responsibilities related to purchasing.

System Office Policy 25.07 – Contract Administration states that authority to enter into contracts on behalf of the system or any of its members must be by express written authority pursuant to the policies of the board and approved contract administration rules of the system. <https://policies.tamus.edu/25-07.pdf>

System Office Regulation 25.07.01: Contract Administration, Delegations and Reporting specifies contract administration practices and review procedures, and contract delegation and reporting requirements authorized by System Policy 25.07, Contract Administration, and the process for administering, reporting, and delegating approval authority for all contracts entered into by a member.

Each member must prepare a Delegation of Authority for Contract Administration in the format developed and distributed by the System Office of Budgets and Accounting in conjunction with the Office of General Counsel. <https://policies.tamus.edu/25-07-01.pdf>

System Office Regulation 25.07.03: Acquisition of Goods and/or Services sets out the guidelines that allows for the procurement of goods and/or services according to sound business practices and best value. Each member shall promulgate standard operating procedures as necessary to facilitate and expedite the acquisition of goods and/or services. <https://policies.tamus.edu/25-07-03.pdf>

3.1.3 Department Purchasing Accountability and Risk Analysis Procedure-Texas A&M University-Kingsville:

Objective 1:

Each department will assess the risk of fraud, abuse, or waste in the contractor selection process, contract provisions, and payment and reimbursement rates and methods for the different types of goods and services for which Texas A&M University-Kingsville contracts.

Each department will assess the need for a Risk Assessment Exercise regarding commodity, services and IT projects. The best practice is to identify all the risks related to a particular procurement and including the impact of that procurement.

High predictable risks may have a low impact however low probability risks can have a significant impact and some form of action may be demanded “just in case”. The cost of controlling or avoiding the risk needs to be taken into account.

Objective 2:

Each department will identify contracts that require enhanced contract monitoring or the immediate attention of contract management staff within the College/Department.

Risks mitigation should be allocated to an “owner” whom is responsible for managing them and may include other individuals as well. The allocation of the risk should be dependent on the assessment or likelihood and consequence of the risk. The “owner” should be the best individual whom is best to control or manage the risk.

Risk may change and increase or decrease over time. The risk may increase towards the end of an agreement or decrease depending on the item being purchased toward the end of its life cycle.

3.2 Summary: College/Department may contact Procurement and Travel Services if any assistance is needed at any stage of risk identification, management, analysis, assessment or mitigation.

3.3 Contract Reporting Form:

The Contract Management Office or Executive Director of Procurement and Travel Services shall prepare this report for contracts in excess of \$1,000,000 for the purchase of goods or services and submit to the Chief Executive Officer. The report must be submitted to the System Chief Financial Officer and the Board of Regents when the contract value exceeds \$5,000,000.

Contractor Name: _____

Contract Number: _____

Contract Value: _____

Contract Description: _____

Contract Execution:

Contract Execution Date: _____

1. List the financial provisions of the contract:

2. What is the delivery schedule(s) contained within the contract:

3. Detail any potential risks/issues that may arise with this contract:

I verify that the solicitation and/or purchasing method and the contractor selection process comply with state law and System policy, rules and regulations.

Signature

Printed Name

Executive Director of Procurement and Travel Services

Title

Date

Contract Completion:

Contract Completion Date: _____

1. Have the parties complied with the financial provisions of the contract? Yes ___ No ___

2. Have the parties complied with the delivery schedules contained within the contract? Yes ___ No ___

3. Were corrective action plans required under the contract? If so, describe below. Yes ____ No ____

4. What is the status of any required corrective action plan?

5. Detail any liquidated damages that will be/were assessed or collected under the contract.

I confirm the accuracy of the information reported on this form. Any information that has been provided by the contractor has been verified.

Project Manager or Department Head:

Executive Director of Procurement and Travel Services:

Signature

Signature

Printed Name

Printed Name

Title

Executive Director of Procurement and Travel Services
Title

Date

Date

This contract reporting form satisfies the requirements of Government Code 2261.253(c), 2261.254 and 2261.255.

1. Purpose

To establish uniform procedures for the setting up of milestone in the Laserfiche Contract Management System (LCMS).

2. Scope

These procedures apply to all LCMS posting of contract milestones for following up on supporting documents.

3. Procedure

3.1 Milestones Definition and Uses:

3.1.1 A milestone represents an obligation that must be completed by a vendor to properly fulfill the requirements of a contract.

3.1.2 When contracts are created, milestone concerning materials and services items, fixed and recurring fee items, and cost and expense items are included.

3.2 Milestones are used to specify:

3.2.1 A completion date in the progress of a contract. The milestone could require that a certain amount of progress on a project is complete by a specified date, in order to receive payment for work done to date such as construction and consulting contracts.

3.2.2 A review date for monitoring / tracking the progress of services rendered. The milestone could require the contract manager and vendor to review progress to date, confirm that services are on time and according to plan, and review the contract for compliance.

3.2.3 A tangible deliverable, such as a report, a proposal, or other document to be delivered by a specified date (for a service or consulting contract, for example).

3.2.4 Deliverables to help monitor time-dependent deliverables, and control payments associated with those deliverables.

3.2.5 Timelines tied to due dates, and result in payment upon successful completion (or a certain percentage) plus assign a payment amount, and designate a verifier to ensure that the milestone is successfully complete before payment will be made.

3.3 Milestone-based Contract:

3.3.1 A milestone-based contract is based on one or more milestones or deliverables. When setting up this type of contract, specify the: unique name description that lists the tasks or conditions that must be met in order for the milestone to be considered complete date by which milestone must be complete amount to be paid to the supplier upon successful completion of the milestone verifier who confirms that the milestone status is "Completed" before payment is made notification date that triggers a notification email to remind the verifier to confirm that the milestone is complete vendor contact name and include email, telephone, and other contact details.

3.4 Milestone Examples: (For the Laserfiche Contract Management System, enter milestones to monitor, for example):

- delivery date or services or any reports

- financial commitments by both vendor and/or the university
 - billings such as invoices for telephone etc. reimbursements to university
 - interval or recurring payments, reports, guaranteed payments
 - timely delivery of any mission critical items such as software or technical
 - new vendor performance
 - pricing and invoicing align to contract terms
 - staffing levels
 - quarterly reports or meetings to update on contract deliverables
 - updated organizational charts
 - vehicle inventory
 - equipment inventory (small wares etc.) plus equipment maintenance plans
 - quality assurance reports
 - code of ethics document
 - emergency response and disaster recovery plan
-

1. Purpose

Each state agency by rule shall establish a procedure to identify each contract that requires enhanced contract or performance monitoring and submit information on the contract to the agency's governing body or, if a multimember governing body, the officer who governs the agency, does not govern the agency. The agency's contract management office or procurement director shall immediately notify the agency's governing body or governing official, as appropriate, of any serious issue or risk that is identified with respect to a contract monitored under this subsection. [[Tex. Gov. Code Sec. 2261.253\(c\)](#)]

2. Scope

This procedure applies to all employees who participate in any phase of the procurement process.

3. Procedure

3.1 This procedure applies to all contracts and will be initially processed by the User Department.

3.1.1. The following will be utilized to determine the risk level and based on the assessment report score will set the foundation for what necessary steps are needed based on the risk level.

3.1.2. A Risk Assessment is required for the following purchase requests if the total amount of the request is \$25,000.00 and above.

- Commodities
- Services
- Construction

3.2 Texas A&M University-Kingsville – Risk Assessment Matrix:

3.2.1 Table 1. Evaluation Criteria

Factor	Risk Level Low	Moderate Risk Level Medium	Important Risk Level High	High Risk Level Extremely High
	1 Score 0-10	2 Score 11-20	3 Score 21-30	4 Score 31-40
Total Cost	<250,000k	>= \$250k but <\$1m	>= \$1m but <\$5 million	>\$5 million
Type of Contract Purchase (estimated plus option years)	Interagency, MOU or Interlocal	Contract less than 250k	Consulting, Emergency, Sole Source, Proprietary, or Construction > \$1m	Major information technology purchases and leases

Total Contract Duration (base year plus option years)	Less than 2 years	2 to 5 years	Greater than 5 years	Greater than 5 years
User Involvement	No or 1 agency	Multiple Agencies	Statewide or outside groups	Statewide or outside groups
Criticality of Deliverables	No urgency in deliverable timing or deliverable timing is important, but not critical	Deliverable timing is critical	Deliverable time is critical	Deliverable time is critical and must take priority over all projects
Contract Failure Impact	Low risk optional contract with no legal mandate or Failure will impact internal department operations only	Failure will impact internal and external users	Failure will impact internal and external users	Failure would have a statewide impact, violate state and or federal mandates or result in the loss of substantial funds
Locations Impacted	Contract will be implemented in or hosted from a single location	Contract will be implemented across multiple agency sites	Contract will be implemented statewide	Contract will be implemented statewide
Availability of Resources for Contract Management	Not applicable or Adequate staffing is readily available to manage and support the contract, including SME's	Temporary staffing is needed to supplement end-user staff to manage and/or support the contract	Temporary staffing is needed to supplement end-user staff to manage and/or support the contract	Full time consultants or temporary staffing is needed to manage and/or support the contract
Complexity of Project	Simple commodity or service with clear specifications	Complex requirements involving internal expertise	Very complex requirements involving external technical experts/evaluators/legal review	Very complex requirements involving external technical experts/evaluators/legal review
Business Process Impact	No impact or Business processes from a single business unit within an agency will be impacted	Business processes from an entire agency will be impacted	Business processes from multiple agencies will be impacted	Business process change is statewide

End Users' Training Needs	No training required or End-user only training required	System and end-users require training and support that be conducted by inhouse trainers	System and end-users require training and support that be conducted by in-house trainers	System and end-users require training and support by the vendor or an outside trainer
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Software Technology Customization	All requirements can be satisfied with mature or Commercial Off-The Shelf (COTS) products	The requirements may be partially customized and partially COTS	Fully customized solution	Fully customized solution
Impact on Existing	Maintenance	Product is an enhancement to the	Product is a replacement of the	Product is new and impact other existing
Application or Infrastructure		existing application or infrastructure	existing application or infrastructure	applications or infrastructure
Interface Connectivity	Not applicable or existing without new interfaces	The new system will interface with 1-4 existing applications	The new system will interface with 5 or more applications	The new system will interface with 5 or more applications

3.3 Texas A&M University-Kingsville – Risk Assessment Matrix (Appendix)

3.3.1 Table 1 A. Evaluation Table (Use the criteria in Table 1 to determine the score for each factor and total up the scores.)

Risk Assessment Exercise		
Requisition #:		
Project Name:		
Vendor Name:		
Department Signature:		
Procurement Signature:		
Instructions: For all projects, rate project factors 1-10.		
For Information Technology projects only, add project factors 11-13.		
Enter the appropriate number for the project factor range that applies to the project.		
RANGE	FACTORS FOR COMMODITY, SERVICES AND IT PROJECTS	SCORE
	1. Total Contract Price: What is the estimated price for the anticipated base period of the contract?	
0	< \$100,000	
1	Low Contract Price -Between \$100,000 - \$250,000	
2	Moderate Contract Price - Between \$250 - \$1 Million	

3	Important Contract Price - Between \$1 Million and \$5 Million
4	High Contract Price - > \$5 Million
	Agency comment:
	2. Total Contract Duration: What is the anticipated overall potential contract period (base year plus option year)?
0	< One year
1	One to two years
2	Two to five years
4	Greater than five years
	Agency comment:
	3. User Involvement: How many end users do you anticipate for this contract:
0	No agencies
1	One agency
2	Multiple agencies
4	Statewide or outside groups
	Agency comment:

	4. Criticality of Deliverables: Which delivery requirements best describes your project?
0	No urgency in deliverable timing
1	Deliverable timing is important, but not critical
3	Deliverable timing is critical
4	Deliverable timing is critical and must take priority over all other projects.
	Agency comment:
	5. Contract Failure Impact: Which of the following best describes the users impacted by a contract failure?
0	Low risk optional use contract with no legal mandate
1	Failure will impact internal department operations only
3	Failure will impact internal and external users
4	Failure would have a statewide impact, violate state and or federal mandates or result in the loss of substantial funds
	Agency comment:
	6. Locations Impacted: Which of the following best describes the locations affected by this contract?

0	Contract will be implemented in or hosted from a single location	
2	Contract will be implemented across multiple agency sites	
4	Contract will be implemented statewide	
	Agency comment:	
	7. Availability of Resources for Contract Management: Which of the following best describe the resource requirements of this project?	
0	Not applicable	
1	Adequate staffing is readily available to manage and support the contract, including SME's	
3	Temporary staffing is needed to supplement end-user staff to manage and/or support the contract.	
4	Full-time consultants or temporary staffing is needed to manage and/or support the contract.	
	Agency comment:	
	8. Complexity of Project: Which best describes the project's complexity?	
0	Simple commodity or service with clear specifications	
2	Complex requirements involving <u>internal</u> expertise	
4	Very complex requirements involving <u>external</u> technical experts/evaluators/legal review	
	Agency comment:	
	9. Business Process Impact: Level of impact to end user's business process?	
0	Not applicable	
1	Business processes from a single business unit within an agency will be impacted	
2	Business processes from an entire agency will be impacted	
3	Business processes from multiple agencies will be impacted	
4	Business process change is statewide	
	Agency comment:	
	10. End Users' Training Needs: Indicate the appropriate training requirements for this project?	
0	No training required	
1	End-user only training required	
3	Systems and end-users require training and support that be conducted by in-house trainers	

4	Systems and end-users require training and support by the vendor or an outside trainer	
	Agency comment:	
	RISK ASSESSMENT SCORE FOR FACTORS 1-10	
RANGE	COMPLETE FACTORS 11-13 FOR INFORMATION TECHNOLOGY PROJECTS ONLY	
	11. Software Technology Customization: What level of customization is required for this solution?	
0	All requirements can be satisfied with mature or Commercial Off-The-Shelf (COTS) products	
2	The requirement may be partially customized and partially COTS	
4	Fully customized solution	
	Agency comment:	
	12. Impact on Existing Application or Infrastructure: Which of the following best describes the impact on existing infrastructure for this project?	
0	Maintenance	
2	Product is an enhancement to the existing application or infrastructure	
3	Product is a replacement of the existing application or infrastructure	
4	Product is new and impact other existing applications or infrastructure	
	Agency comment:	
	13. Interface Connectivity: Which of the following best describes the interface connectivity of the proposed system?	
0	Not applicable or existing without new interfaces	
2	The new system will interface with 1-4 existing applications	
4	The new system will interface with 5 or more applications	
	Agency comment:	
	IT RISK ASSESSMENT SCORE FOR FACTORS 11-13	
	TOTAL RISK ASSESSMENT SCORE	
	Risk Assessment Report Score: Commodities and Services	
Score	0-10 = Low Risk	
Score	11-20 = Moderate Risk	
Score	21-30 = Important Risk	

Score	31-40 = High Risk	
	Risk Assessment Report Score: Information Technology	

Score	0-13 = Low Risk	
Score	14-26 = Moderate Risk	
Score	27-39 = Important Risk	
Score	40-52 = High Risk	

3.4 Table 2. Risk Assessment Matrix (Use the scores provided in Table 1 A to determine the level of risk.)

3.4.1 Risk Assessment Report Score: Commodities and Services

Risk Level		Point Range	Description
High Risk	E	31-40	Commodities and Services include unexpected levels of risk, including critical issues that are likely to occur if the contract is not properly managed. Programs must consider possible contract risks, document and include them in the contract management plan and determine how risk will be monitored.
Important Risk	H	21-30	Commodities and Services contain potentially serious risks that may occur. The contract management plan must include language that ensures proactive strategies to reduce risk and the method of monitoring the risk.
Moderate Risk	M	11-20	Commodities and Services contain some level of risk that may occur. The program should consider if a contract management plan is required. If contract management plan is not required, the Vendor will identify and document with an explanation of how risks will be managed. This information will be maintained with the Vendor documentation.
Low Risk	L	0-10	Commodities and Services contain minimal risks and are unlikely to occur. Programs can proceed with contracting as planned.

3.5 Risk Assessment Report Score: Information Technology

Risk Level		Point Range	Description
High Risk	E	40-52	Information Technology Projects include unexpected levels of risk, including critical issues that are likely to occur if the contract is not properly managed. Programs must consider possible contract risks, document and include them in the contract management plan and determine how risk will be monitored.
Important Risk	H	27-39	Information Technology Projects contain potentially serious risks that may occur. The contract management plan must include language that ensures proactive strategies to reduce risk and the method of monitoring the risk.

Moderate Risk	M	14-26	Information Technology Projects contain some level of risk that may occur. The program should consider if a contract management plan is required. If contract management plan is not required, the Vendor will identify and document with an explanation of how risks will be managed. This information will be maintained with the VENDOR documentation.
Low Risk	L	0-13	Information Technology Projects contain minimal risks and are unlikely to occur. Programs can proceed with contracting as planned.

1. Purpose

This Rule provides information and procedures for verifying suppliers or updating current suppliers' information.

2. Scope

This Rule applies to all suppliers that currently do business with TAMUK and for future suppliers that will do business with TAMUK.

3. Procedure

3.1 New Vendor Verifications, Updating Existing Vendors and Foreign Vendors:

3.2 Confidential Information - In accordance with Texas state Law (TAC §202) and Texas A&M University System Policy, confidential information such as Social Security Numbers or Bank Account Information may not be sent via email. After 05/25/2018, email submissions of confidential vendor setup information or other confidential data will no longer be accepted via email. Emails containing SSN or other confidential information will be blocked from being sent or received. In order to prevent the unauthorized disclosure and provide for the secure upload of Vendor Setup Forms and other confidential data, a secure upload form is provided at [Vendor Setup Document Upload Web Page](#). If you should have questions regarding the Vendor Document Upload Web Page, see the [Vendor Setup Document Upload Instructions](#).

3.3 Direct Deposit Requirement - As of January 01, 2019, all domestic vendors will be paid via direct deposit. Vendors will sign up for direct deposit using the [Substitute W9 & Direct Deposit](#) form. Any domestic vendors who will not accept payment via direct deposit will need to request an exception via email at vendorhelp@tamu.edu & provide a reason in the request for the exception. If a vendor setup request is sent in after January 1, 2019 with no direct deposit information provided, the vendor setup request will be returned to have the vendor provide the direct deposit information.

3.4 Notice to All Vendors Receiving Payment by EFT or ACH – Texas A&M University is obligated to comply with the requirements of the United States Department of Treasury Office of Foreign Assets Control (OFAC), which oversees payments sent outside the territorial jurisdiction of the United States. This includes automated clearing house (ACH) payments, such as electronic funds transfers (EFT). Effective September 18, 2009, the University is obligated to identify as an “International ACH Transaction” (IAT) any EFT payments that are (1) made by the University to a financial institution located outside the U.S. or (2) made by the University to a domestic financial institution if that financial institution immediately transfers the full deposit amount to a financial institution outside the U.S. in a “back-to-back” transaction.

3.4.1 If you have instructions with your recipient bank to immediately wire the full amount of the direct deposit to a foreign bank, we request that you complete a form that provides further details about the foreign transaction. The form, with instructions on completion and where to return, may be accessed [here](#).

3.4.2 To comply with the OFAC requirements going forward, Texas A&M University will require that vendors confirm, at the time that they request that payment be made by EFT, that the EFT is being made to a domestic financial institution and will not be part of a “back to back” transaction to a foreign institution.

3.5 Forms for Vendor Setup:

3.5.1 Domestic Vendors (US) -Substitute W9 & Direct Deposit Form – Add New Individuals (including students), & Business Entities. The Substitute W9 & Direct Deposit Form are now all one form. Any changes to vendors may also be made uploading the Substitute W9 & Direct Deposit Form.

3.5.2 Vendor Setup Document Upload Instructions – If there is confidential information on your form, such as a Social Security Number or Bank Information, you are now able to load your documents from your desktop. This is an

encrypted, secure, confidential web page, so you do not have to worry about the information being compromised. Just go to Vendor Setup Document Upload Web Page.

3.5.3 Employee(s) - Current employees can add or update direct deposit/bank information through [Workday](#). See the [instructions](#) for changing/updating your direct deposit/bank information in Workday.

3.5.4 Foreign Vendors - *Please note: Due to the IRS changes, please note that all foreign forms that are submitted will need to be on a 2017 form or later*.

3.5.5 **Certificate of Foreign Status Form – Any vendor performing services outside the U.S. – Can be used for Merchandise/Tangible products that are not taxable; books, chemicals etc.**

3.5.6 [W8-BEN](#) – Foreign individuals performing services in the U.S. – Royalty payments, Software downloads, Maintenance & Repairs etc. - ([W8-BEN Instructions](#))

3.5.7 [W8-BEN-E](#) – Foreign Entities performing services in the U.S. – For companies selling Software, Intellectual Property, Royalties, Maintenance & Repairs, Corporations or LLC's etc. ([W8-BEN-E Instructions](#))

3.5.8 [W8-ECI](#) – Foreign vendors that are a beneficial owner claiming that income is effectively connected with the conduct of trade or business with the U.S. (other personal services). ([W8-ECI Instructions](#))

3.5.9 [W8-EXP](#) – A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation or government of a U.S. possession claiming the applicability of section(s) 115(2), 501©, 892, 895 or 1443(b) Note: these entities should use Form W8-ECI if they received effectively connected income and are not eligible to claim an exemption for chapter 3 or 4 purposes on Form W8-EXP. ([W8-EXP Instructions](#))

3.6 If the vendor is being paid a fee, it will still be required that the visitor go through GLACIER to provide the required tax forms required by the IRS.

3.6.1 If the foreign entity will not provide or properly complete the required forms and if the payment is U.S. sourced income (means in most instances performed within the U.S.) and a 1042 reportable (services, rentals, software licenses, etc.) payment, Texas A&M University System Members will withhold 30% of the payment and remit to the IRS.

3.7 Vendors Requesting Changes on Original Vendor Setup Form(s) - University Departments will submit the appropriate applicable Vendor Form(s) (reference Section 4) and note “update vendor information” or “update ACH/Bank Information” and follow the submittal instructions.

3.8 For companies/vendors that have been bought out by another company/vendor the following documents are required:

- Memo from the company that bought the company and,
- Memo from the company that was bought with an updated Substitute W9 & Direct Deposit Form

3.9 For companies/vendors where one bank has taken over as the new lender the following documents are required:

- Memo from the new bank
- Substitute W9 & Direct Deposit Form from the new bank

3.10 For any vendor verifications to include foreign, TAMUK follows the instructions provided by the TAMU College Station Financial Management Operations department. For further information related to setting up a vendor and the verification process, please refer to the following website: <https://fmo.tamu.edu/accounts-payable/vendor-setup/>.

1. Purpose

To define procedures to be used by Buyers when requesting quotations.

2. Scope

This procedure applies to all purchases when bids or quotations are required.

3. Procedure

3.1 Price quotes will be administered by Procurement and Travel Services based on information submitted by the requisitioner.

3.2 Competitive bidding is employed to ensure responsive, reasonable and firm proposals. Generally, three or more qualified suppliers will be solicited. Exceptions are made only in unique situations where such a bidding process would result in no apparent benefit to the University.

3.3. This procedure outlines the process of securing verbal or written quotations prior to the selection of a source.

3.3.1 In accordance with University purchasing policy, requests for quotation will not be solicited from prospective suppliers unless it is intended that an order shall be placed with the vendor if that vendor is responsive and responsible.

3.3.2 To the extent possible, investigations or informal surveys will be made prior to solicitations of quotations to determine if prospective suppliers have required resources and satisfactory performance experience.

3.3.3 Quotations are solicited only after a decision is made to procure items or, in special cases, when solicitation of quotations is authorized prior to decision if such action best serves the interests of the University (i.e., special project).

3.3.4 The solicitation of quotations in connection with new business ventures or in any other circumstance where a firm requirement does not exist, the Buyer shall make clear to prospective suppliers the intent of the request.

3.3.5 Supplier quotations must be in response to a request from Procurement and Travel Services; unsolicited bids will not be considered.

3.4 Where a supplier is given the opportunity to re-bid, all competing suppliers must also be given an equitable opportunity to re-bid. Those conditions in which it is in the University's best interest to allow re-bidding include, but are not limited to, changes in requirements or changes in the state of the art.

3.5 It is imperative that the supplier knows that:

- Pre-contract discussions and agreements are preliminary;
- Any agreements reached are tentative;
- The University assumes no contract obligations to the supplier until a formal purchase order or letter agreement is executed, or authorization to proceed is given by the Buyer;
- The University is not under any obligation to procure the items for which the negotiations are conducted, and any cost incurred by the supplier prior to the placing of the order is at the supplier's expense unless otherwise agreed to in advance by the Buyer and the supplier.

- The Request for Quotation (Bid, Offer, and Proposal) form will be used wherever possible. Utilization of this method will provide vital necessary documentation and efficient communication pertinent to competitive transactions.
- The quote number will be cross-referenced to the final purchase order number. All communications or correspondence relative to each project must reference the quotation number.
- The Procurement and Travel Services' copy of the quote request will be filled with the purchase order.

3.6 Informal Bids:

3.6.1 Informal Bids may be taken when the value of the purchase is between \$5,001.00 and \$25,000.00. Formal and Informal Bids cannot be mixed on one procurement. Generally, Informal Bids are verbal or written quotations and are used to expedite the delivery of goods and services.

3.6.2 The purchaser will contact at least three (3) bidders; minimum of two (2) certified HUBs.

3.6.3 The purchaser will document the name of the person contacted, the company name, and the bid amount. This documentation will be made a part of the file. A formal bid summary is not required.

3.7 Formal Bids:

3.7.1 Formal Bids are used when strong documentation is required, when the specifications are better communicated in writing, or when a high degree of confidentiality is needed and when time permits. Formal bids will be prepared using the University standard bid form and shall be accompanied by the University General Terms and Conditions. Formal bids are required on purchases greater than \$25,000.00.

3.7.2 All Formal Bids will be prepared by Procurement and Travel Services for the Open Market.

3.7.3 Formal Bids will be publicly opened at the time and place indicated on the Invitation for Bid. The following persons may officiate at the opening: Vice President for Finance & CFO, Executive Director of Procurement and Travel Services, Assistant Director of Procurement and Director of HUB Program, Purchaser, or Buyer. A witness, usually one of the purchasing office staff members, will witness the bid opening. The witness will record the bids as opened and prepare a written bid summary. The bid summary will serve as the official bid log of responses.

1. Purpose

The purpose of this procedure is to establish guidelines for purchases with HEF. Specifically, this procedure will define how and when HEF may be used for Non-Construction/Renovation Purchases.

2. Scope

This procedure will apply to all purchases with HEF.

3. Procedure

3.1 Article VII, Section 17(a) of the Texas Constitution reads that HEF funds are appropriated for the following and may be used for the purchase of:

- Acquisition of land, either with or without permanent improvements.
- Construction and equipment of buildings and or other improvements.
- Major repair or rehabilitation of buildings or other permanent improvements.
- Acquisition of capital equipment, library books, and library materials.

3.2 HEF Funds are to be used only for Educational and General (E&G) purposes. HEF may be used for paying for acquiring, constructing, or equipping for major repair or rehabilitation of buildings, facilities, other permanent improvement, or capital equipment used jointly for educational and general activities and for auxiliary enterprises to the extent of their used for educational and general activities. Thus, HEF may not be used for (unless used jointly with E&G activities):

- Student Housing
- Intercollegiate Athletics
- Auxiliary Enterprises

3.3 This procedure will not address the first three items (Section 3.1). The last item refers to “capital equipment” and requires clarification.

3.3.1 Generally, “capital equipment” means permanent equipment with a value above the “capitalized” threshold that is placed on an itemized inventory.

3.3.2 However, the guidelines for HEF expenditures published by the State Comptroller define “capital equipment” as: “Fixed or moveable tangible assets to be used for operations, the benefits of which extend over more than one fiscal year”.

3.4 Therefore, the University has adopted the following guidelines for purchasing equipment with HEF:

3.4.1 Institutional Furnishings:

- Furniture may be purchased without regard to the unit price in connection with furnishing a building under renovation or construction.

- Major furniture pieces may be purchased without regard to the unit price in connect with remodeling an office.
- Separate furniture pieces may be purchased at any time when the unit price is greater than \$500.00.

3.4.2 Laboratory Equipment and Classroom Teaching Aids:

- Laboratory Equipment and Classroom Teaching Aids may be purchased without regard to unit price in connection with a major upgrade or renovation of a lab or classroom or during the first two years of program development.
- Laboratory Equipment and Classroom Teaching Aids may be purchased any time if the unit price is greater than \$500.00.

3.4.3 Shop, Industrial, and Building Equipment:

- Shop, Industrial and Building Equipment may be purchased without regard to unit price in connection with major upgrade or renovation or during the first two years of program development.
- Shop, Industrial and Building Equipment may be purchased any time if the unit price is greater than \$500.00.

3.4.4 Computer Equipment and Software:

- Computer Equipment may be purchased at any time if the unit price is greater than \$500.00. (Computer Equipment does not include add on devices such as computer cards or replacement parts.)
- Software, Printers, and Peripherals may be purchased without regard to the unit price if purchased in connection with a computer.
- Software with a use license less than 2 years may not be purchased with HEF.

3.4.5 Telecommunications Equipment:

- Telecommunications Equipment may be purchased if the unit price is greater than \$500.00.

3.5 In all cases, the term “equipment” excludes repair or replacement components or parts.

3.6 HEF may not be used to purchase items or services requiring prepayment.

3.7 Procurement and Travel Services may address questions regarding the appropriate use of HEF.

3.8 HEF may not be utilized for operating expenses or to purchase consumable supplies.

1. Purpose

To define procurements that require pre-approval before processing the procurement request utilizing anyone of TAMUK's procurement methods.

2. Scope

This procedure shall apply University wide.

3. Procedure

3.1 Many procurements are subject to special regulations, are complex in nature so that they affect other areas of operations, or present a potential hazard to public health. These procurements must not be made until they have been reviewed and approved by the designated authorities.

3.2 Items Requiring Pre-Approval. The following items must be pre-approved as indicated.

3.2.1 Fume Hood, Flow Hood, Biological Safety Cabinets, Exhaust Systems:

- All equipment that may have an effect on the safety, health or well-being of employees, students or public must be approved by the Enterprise Risk Management Department. Procurement and Travel Services will submit copy of requisition to Enterprise Risk Management for approval. Purchases will not be made without Enterprise Risk Management's approval. Copy of order will be sent to Enterprise Risk Management to assure completion of certification process.

3.2.2 Equipment/Supplies Requiring Installation/Modification of Facility:

- All equipment that requires installation/modification of existing facilities are submitted to the Director of Facilities Planning and Construction by Procurement and Travel Services of any additional requirements that will be needed. These are incorporated into the bid documents. If a Physical Plant Work Request to modify the facility is needed or if the work must be processed through the Construction Coordinating Committee, the using department and Procurement and Travel Services will be notified.
- These type purchases include items that consume utilities (electricity, water, gas, sewage, etc.), items that require special environment, items that may pose a safety or health risk to the public, and items that are oversize or overweight.

3.2.3 Modification, Construction and Renovation:

- Modification, construction and renovation of existing building and grounds must be approved by the Director of Facilities.
- Planning and Construction. No requisitions for these types of services will be processed by Procurement and Travel Services without written approval of the University Engineer. Contact the Director of Facilities Planning and Construction to obtain forms to make a request for this type of work.

3.2.4 Hand Held Radios, Security Radios:

- All requests for radios and security radios must be submitted to the University Engineer and University Police for

review. Due to security, the limited frequencies available, and the necessity to identify program frequencies for each radio, the University Engineer reviews all radio purchases.

3.2.5 Radioactive Materials:

- Requisitions must be forwarded to the University Radiation Officer for approval before they can be processed by the Procurement and Travel Services Department.
 - All requisitions for radioactive material must be denoted by typing the words “RADIOACTIVE MATERIAL” immediately below the description of the item on the purchase requisition. The “ship to” address must reflect shipment to the Enterprise Risk Management, department name and contact. Contact the Enterprise Risk Management Office for a listing of Texas DSHS authorized material or for a copy of the Radioactive Material License.
-

1. Purpose

To establish change order procedures.

2. Scope

This procedure applies to all change orders.

3. Procedure

3.1 Change orders concerning quantity or price on orders must be reflected in the P.O. file by the authorizing buyer. When possible, notes should be posted to the JavelinaBuy Purchase Order. All change orders and all changes regarding specifications regardless of value shall be written.

3.2 For written changes orders, the following procedures should be followed:

3.2.1 Update/edit the original purchase as needed. Communication with the department as needed will be conducted.

3.2.2 A written confirmation shall be sent to the vendor using the formal purchase order form.

1. Purpose

The purpose of this procedure is to provide guidance for purchases at a Warehouse Clubs.

2. Scope

This procedure applies to all employees who participate in purchasing.

3. Procedure

3.1 Purchase of Warehouse Club memberships under the University name or an employee name will not be allowed. Warehouse club purchases will only be allowed under the following conditions:

3.1.1 Purchases may be made at a Warehouse Club with employees utilizing their own individual memberships.

3.1.2 A procurement card (p-card) may be used for a payment method.

3.1.3 No sales tax may be paid by a procurement card and will not be reimbursed.

3.1.4 Each detailed receipt must provide a “purpose” statement that clearly indicates how the merchandise was used.

3.1.5 All p-card purchases must adhere to all p-card procedures as noted on the Procurement Card Program Guide located at https://www.tamuk.edu/finance/procurement/pcard_services/index.html

PP-120 Sole Source Justification

Approved June 5, 1996

Revised April 6, 2020

Next Schedule Review January 4, 2023

1. Purpose

To define the requirements of Sole Source Purchases.

2. Scope

This procedure will apply University wide.

3. General

3.1 It is the policy of the University to make purchases under a competitive environment whenever possible. Purchases of equipment, supplies, or services available only from one vendor or under one brand name are considered Non-Competitive or Sole Source. All purchases above the “no bid limit” from a Sole Source must be justified.

4. Procedure

4.1 A proprietary product or service has a distinctive characteristic that is not shared by competing products or services when the specification limits consideration to one manufacturer, one product, or one service provider.

4.2 All purchase requisitions must be accompanied by a memo of a justification if the specifications restrict the purchase of goods or services to only one source. The justification must answer the following two questions:

1. What is the unique feature and why is this feature needed for our application?
2. Why will competing products not be satisfactory?

4.3 The first question should be answered in functional terms. Indicate why the dimensions, features, or performance characteristics are essential.

4.4 The answer to the second question should indicate specifically the particular requirement of the specification where other known products or services do not comply.

4.5 Delays in handling can be avoided if these justifications are sent with the requisition. For more information, contact Procurement and Travel Services.

4.6 Use the following form for submitting the Sole Source Justification:

I. Purpose

To Define the requirements of Sole Source Purchases.

II. Scope

This Procedure will apply University wide.

III. General

It is the policy of the University to make purchases under a competitive environment whenever possible. Purchases of equipment, supplies, or services available only from one vendor or under one brand name are considered Non-Competitive or Sole Source. All purchases above the "no bid limit" from a Sole Source must be justified.

IV. Procedure

All purchase requisitions must be accompanied by a memo of justification if the specifications restrict the purchase of goods or services to only one source. The justification must answer the following two questions:

- (1) What is the unique feature and why is this feature needed for your application?
- (2) Why will competing products not be satisfactory?

The first question should be answered in functional terms. Indicate why the dimensions, features, or performance characteristics are essential. The answer to the second question should indicate specifically the particular requirement of the specification where other known products or services do not comply.

Delays in handling can be avoided if these justifications are sent with the requisition. For more information, contact the Office of Procurement and General Services.

Justification for Sole Source Purchase

QUESTIONNAIRE

1) This item is required for use in:

research_____ classroom_____ lab_____ other_____.

2) What features are proprietary to this item? How are these dimensions, features or performance characteristics essential to the accomplishment of your work?

3) List any company other than your suggested source who manufactures a similar item or manufacturers an item with similar functions.

4) Why won't these competing products be satisfactory?

__Yes __No

5) Will the item be used with existing equipment?

If yes, as a repair/replacement part?

__Yes __No

as a component to be interfaced with the existing equipment?

__Yes __No

Give Brand and Model number of existing equipment:

as an accessory or option?

__Yes __No

to match existing equipment?

__Yes __No

for reasons of interchangeability?

__Yes __No

Will installation be required?

__Yes __No

6) Give any additional information you feel may aid the buyer in processing this requisition.

Department Name: _____

Account Name: _____

Account Number: _____

Requestors Name, Signature, and Phone No.:

Department Head Signature and Date:

Director, Procurement and General Services

1. Purpose

This Rule provides information and procedures for the food truck program.

2. Scope

This Rule applies to all departments for the use of Food Trucks or what is deemed part of the food truck program.

3. Procedure

3.1 In the interest of maintaining a variety of quality food options in a safe environment, The Texas A&M University-Kingsville Procurement and Travel Services Department will provide oversight and management of the mobile food truck program. Food trucks shall include the types listed on the Application for Mobile Food Vendor Permit.

3.2 All food trucks are required to complete an Application for Mobile Food Vendor Permit. All food trucks are required to provide proof of Commercial General Liability, Worker's Compensation Liability, and Automobile Liability Insurance coverage at the time of permit application with limits as specified by TAMUK including an additional endorsement that names the appropriate as additional insured parties. See Exhibit A for specifics on The Texas A&M University System Insurance Requirements.

3.3 All food trucks must be inspected and permitted by Kleberg County Public Health District and have mobile food vending permits from the City of Kingsville if required by the city. Proof of inspections and permits must be provided at the time of permit application.

3.4 A copy of the vendor's current and valid Texas Sales and Use Tax Permit must be provided. The provided permit must be registered under the mobile vending unit owner's name or under the business name of the mobile vending operation.

3.5 All food trucks are to maintain insurance coverage and keep permits up to date. Any food trucks with expired or lack of insurance coverage as noted in Exhibit A shall be deemed non-eligible to participate in the Food Truck program and will not be allowed on campus until a current and accepted proof of coverage is received. Expired permits will result in non-eligibility to participate in the program as well.

3.6 All food trucks must have all equipment contained within or on the mobile unit at all times and must be properly enclosed.

3.7 Food trucks must remove all trash and litter when they leave campus; trash cannot be dumped into TAMUK trash receptacles.

3.8 All food trucks (motor and trailer type) shall park and operate in the designated food truck areas with the permit prominently displayed. Pushcart type units may only be located in facilities and areas allowed by TAMUK Operations Office.

3.9 Food trucks must be staffed appropriately.

3.9.1 Food trucks should have the ability to accept various forms of payment for food products.

3.9.2 Food trucks must prevent the disposal of any materials, including rinse or wash water, any spilled materials or any waste into streets, gutters, storm drains, or creeks.

3.9.3 Food trucks will not be allowed to play music during semesters when classes are held.

3.9.4 Food trucks must maintain a state of mobile readiness at all times.

3.9.5 Food trucks may only sell food and beverages; no other goods, wares, or other items may be sold.

3.9.6 Food trucks may not sell alcoholic beverages.

3.9.7 Food trucks will only be allowed to advertise on the truck itself.

3.9.8 Food trucks must obey all applicable parking, traffic and vehicle safety laws, regulations, and restrictions.

3.9.9 TAMUK Policies and Procedures are required to be followed at all times.

3.9.10 The Mobile Food Vendor Permit is only valid for the academic year in which it is approved. A new Permit is required with each new year beginning September 1.

3.9.11 The Mobile Food Vendor will provide their current menu and update, as amended, for TAMUK advertising of their services.

3.9.12 The Mobile Food Vendor will allow for TAMUK to advertise them on TAMUK's website including any logos, trademarks, and copyrights (i.e. Menus).

Exhibit A

Contractor shall obtain and maintain, for the duration of this Agreement or longer, the minimum insurance coverage set forth below. With the exception of Professional Liability (E&O), all coverage shall be written on an occurrence basis. All coverage shall be underwritten by companies authorized to do business in the State of Texas or eligible surplus lines insurers operating in accordance with the Texas Insurance Code and have a financial strength rating of A- or better and a financial strength rating of VII or better as measured by A.M. Best Company or otherwise acceptable to Texas A&M University-Kingsville. By requiring such minimum insurance, the Owner shall not be deemed or construed to have assessed the risk that may be applicable to Contractor under this Agreement. Contractor shall assess its own risks and if it deems appropriate and/or prudent, maintain higher limits and/or broader coverage. Contractor is not relieved of any liability or other obligations assumed pursuant to this Agreement by reason of its failure to obtain or maintain insurance in sufficient amounts, duration, or types. No policy will be canceled without unconditional written notice to Texas A&M University-Kingsville at least ten days before the effective date of the cancellation.

	Coverage	Limits/Occurrence basis
A.	Worker's Compensation	
	Statutory Benefits (Coverage A)	Statutory
	Employers Liability (Coverage B)	\$1,000,000 Each Accident
		\$1,000,000 Disease/Employee
		\$1,000,000 Disease/Policy Limit
	If this coverage is waived by System Risk Management, the contractor, his employees and subcontractors must sign hold harmless and indemnification agreement.	
B.	Automobile Liability	
	covering owned, hired, and non-owned vehicles, with a combined bodily injury (including death) and property damage	
	Owned Vehicles	\$5,000,000
	Non-owned Vehicles	\$5,000,000
	Hired Vehicles	\$5,000,000
	Medical or PIP	\$5,000
	Uninsured/Under insured Motorists	\$5,000,000
C.	Commercial General Liability	
	including Independent Contractor's Liability, Products, and Completed Operations and Contractual Liability	
	Each Occurrence Limit	\$1,000,000

	Aggregate Limit	\$2,000,000
	Products/Completed Operations	\$1,000,000
	Personal/Advertising Injury	\$1,000,000
	Damage to rented Premises	\$300,000
	Medical Payments	\$5,000
D.	Asbestos Abatement Liability Insurance	
	* this requirement applies if the Work or the Project includes asbestos containing materials	
	including coverage for liability arising from the encapsulation, removal, handling, storage, transportation, and disposal of asbestos containing materials	
	Each Occurrence Limit	\$1,000,000
	Bodily Injury/Property Damage	\$1,000,000

All insurance policies will be endorsed to provide a waiver of subrogation in favor of The Board of Regents of The Texas A&M University System, The Texas A&M University System and Texas A&M University-Kingsville. No policy will be canceled without unconditional written notice to Texas A&M University-Kingsville at least ten days before the effective date of the cancellation.

All insurance policies will be endorsed to require the insurance carrier providing coverage to send notice to Texas A&M University-Kingsville ten (10) days prior to the effective date of cancellation, material change, or non-renewal relating to any insurance policy required in this Section 11.

Any deductible or self-insured retention must be declared to and approved by Texas A&M University-Kingsville prior to the performance of any services by Contractor under this Agreement. Contractor is responsible to pay any deductible or self-insured retention for any loss. All deductibles and self-insured retentions will be shown on the Certificates of Insurance.

Certificates of Insurance and Additional Insured Endorsements as required by this Agreement will be mailed or emailed to the following Texas A&M University-Kingsville contact:

Texas A&M University-Kingsville
700 University Blvd., MSC 212
ATTN: Procurement and Travel Services Department
Kingsville, Texas 78363
Phone: 361-593-3814
Email Address: procurement@tamuk.edu

The insurance coverage required by this Agreement will be kept in force until all services have been fully performed and accepted by Texas A&M University-Kingsville in writing, except as may be noted.

1. Purpose

To establish the structure and content of contracts.

2. Scope

Applies to all contract procurements.

3. Procedure

3.1 The following list is a guide developed by TAMUS Office of General Counsel to assist evaluating the basic legal framework of a contract. All contracts must comply with TAMUS Policy 25.07 and Regulation 25.07.01. The Contract Management Handbook practices and review procedures are to be included in the contract administration, delegation and reporting as referred to in TAMUS Regulation 25.07.01.

- *Description of goods/services to be received by component? Clear and understandable description of the subject of the contract. Limit use of highly technical terms when possible. Performance must be measurable.*
- *Contractor's name, address, phone, fax? Verify current information.*
- *Contact person(s) for contractor, name, address, phone, fax, email address? Verify current information, especially if anything differs from (2).*
- *Date contract is to begin. This may or may not be the date the contract is signed.*
- *Date contract ends. This refers to the date the contract would normally ends unless terminated earlier for any reason.*
- *Other important dates (deadlines, mileposts, reports due, etc.) Dates should be clearly identified. Use full dates (ex: "June 3, 2004") whenever possible. NOTE: in many foreign countries' dates expressed in numerals use the Day/Month/Year format (e.g., June 3, 2004 would be written as 3/6/04 rather than 6/3/04).*
- *Procedure for renewal clearly identified and understood.*
- *Procedure for termination clearly identified and understood. Termination for cause and termination at will should be identified.*
- *Verify highest level of approval within TAMUS needed for contract. Use current Delegation of Authority to identify highest level.*
- *All exhibits, attachments, appendices, schedules, etc. attached. OGC normally will not approve an agreement until all of these documents have been provided for review.*
- *Title and authority of person signing for contractor. Should be an officer or authorized agent of contractor.*
- *If contract can be terminated at will (for no cause or without cause), verify that this is what component wants in the contract. This may cause problems for component and should be clearly understood prior to signature.*
- *Clear description amounts of money or other consideration for contract. Partial payments should be stated with due dates; amount tied to other amounts (e.g., royalties, percentages) should be stated in clear terms.*

- *All payments are in U.S. dollars. If any part of the contract is performed or payable outside the U.S.*
- *Method for providing notice of default and opportunity to cure. Normally written notice and reasonable time to cure.*
- *Rights, obligations, duties of every party clearly. Each party's responsibilities identified in understandable wording.*
- *Time and place for performance. If performance extends over a period, include due dates if necessary.*
- *Indemnification, liquidated damages, attorney's fees, waiver of contractor's liability, waiver of statutes of limitations clauses. These types of clauses are not allowable for TAMUS components because of state constitutional restrictions. Notify contractor that these must be deleted. AFTER attempting to have these deleted, if contractor refuses to comply, the following wording must be inserted before the wording: "To the extent permitted by the laws and constitution of the State of Texas."*
- *Governed by laws of the State of Texas. TAMUS components may not agree to be governed by the laws of another state.*
- *Venue for suits in county where component's CEO has main office. State law mandates this venue: it is not negotiable.*
- *If insurance is required, types and levels of coverage listed. The TAMUS Office of Risk Management should be consulted if there are questions about the levels of coverage and/or carriers.*
- *Confidentiality provisions? TAMUS cannot agree to keep information confidential if it is subject to public disclosure under the Texas Public Information Act (Ch. 552, Texas Government Code).*
- *Act of God or force majeure clause. Provides relief if performance impaired by unexpected events including weather and civil disturbances.*
- *Assignment by either party must be approved in advance in writing. Written pre-approval of assignments is preferred by not mandatory.*
- *Mandatory Alternative Dispute Resolution clause (Ch. 2260) included. Not required for contracts with other agencies of the State of Texas of the U.S. Government.*
- *Spelling, formatting, general appearance of document is professional and accurate.*

4. Procedure

4.1 To the extent possible, all procurements of materials and services are to be obtained using the formal purchase order (see Procedure-220) or the blanket purchase order (see Procedure PP-080).

4.2 The contract types listed below with their major subject content are to be used as appropriate and are to be issued under a formal purchase order. Any terms and conditions not covered by the formal purchase order are to be included in the contract.

4.3 All contracts must adhere to the Texas A&M University System Policies and Regulations.

4.3.1 Construction:

- The Statement of Intent – Specifications
- Drawings and Schedule
- Buyer to Provide
- Insurance

- Terms
- Warranty
- Responsibility
- Permits
- Licenses
- Inspections
- Subcontractors
- Performance Bonds

4.3.2 Lease Agreement for Property:

- Lessee and Lessor Identification
- Description of Property
- Location of Property
- Lease Payment
- Terms
- Lease or Warranty

4.3.3 Lease Agreement for Equipment

- Description of Equipment
- Terms of Lease Payments
- Purchase or Option Renewal
- Delivery, Maintenance and other Special Charges
- Conditions or Restrictions on Use

4.3.4 On-Call Service

- Identification and Location of Equipment to be Serviced
- Period of Service
- Movement or Modification of Equipment
- Responsibility of Supplier
- Service Charges

- Notice and Response to Notice

4.3.5 Professional Services

- Party's Identification
- Services to be Rendered
- Inventions
- Proprietary Information
- Consultant's Representation
- Period of Agreement

4.3.6 Real Estate

- Notice of Pending Forfeiture for Cancellation of Contract
- Declarations of Forfeiture and Cancellation of Contract
- Warranty Fulfillment Deed
- Quit Claim Deed
- Purchaser's Assignment of Contract and Deed
- Deed and Seller's Assignment of Real Estate Contract
- Exclusive Sale and Listing Agreement
- Earnest Money Provisions
- Escrow Instructions for Seller
- Escrow Instructions for Buyer

4.3.7 Subcontract

- Scope of Work
- Period of Performance
- Estimated Cost and Expenditure Limitation
- Allowable Cost and Payment Budget
- Buyer's Program Director
- Contractor's Principal Investigator
- Technical Reports

4.4 Checklist for the Preparation of Contracts:

4.4.1 For the Necessity of contracts and its completeness; we should ask the following questions regarding contracts before making final commitments.

- Is it necessary to have a contract?
- Does it lower our cost?
- Does it reduce our inventory?
- Does it assure us of delivery in case of shortages?
- Is it with the manufacturer or the distributor?
- What are the disadvantages of not having a contract?
- Have negotiations been completed?
- Are the essential elements of the contract settled?
- Is there a chance of vagueness or ambiguity in terms or language of the contract?
- Are the contracting parties, their agents or representatives competent and authorized to bind the company?

4.5 Description of Goods and Services:

4.5.1 Is the material, equipment or service clearly described in writing in the:

- Blueprints
- Specifications
- Purchase order
- Other written memorandum

4.5.2 We should ask the following questions:

- Are the specifications complete?
- Is the quantity clearly defined?
- Are there any limitations on quantity per period of time?
- Will the supplier furnish drawing? If so, are such drawings subjects to buyer's approval?
- Will the supplier install equipment? If so, is the charge satisfactory?

4.6 What services will the supplier furnish, such as training in usage and maintenance of equipment, instruction manuals, part manuals, etc.?

4.6.1 Price and Payment Terms:

- What is the initial purchase price?

- Is the price definite? If not, is the method for ascertaining the price clear?
- Is the price subject to adjustment?
- Does price adjustment work both ways?
- Is adjustment limited to change in price?
- Is the date of price basis stated?
- What is the length of time for advance notification of price adjustment?
- Is there an escape clause on price increases?
- Is there an escape clause when a supplier's competitor quotes lower prices and the present supplier is unable to meet them?
- Is the payment schedule satisfactory?
- Is payment tied to performance factors/milestones?
- Are the cash terms satisfactory?
- Does the contract lend itself to price/cost analysis?

4.7 Packaging, Delivery and Insurance Factors:

- Is the delivery schedule satisfactory?
- Are the "times for delivery" terms definite? (Does "reasonable time," in particular circumstances, have a certain meaning according to prior dealing or practices between the Buyer and Seller?)
- Is the mode of delivery satisfactory?
- Is the packaging satisfactory?
- Who bears the risk of loss if it occurs before delivery to the Buyer?

4.8 Time and Termination Factors:

- What period does the contract cover? (One, two, three years?)
- Are the provisions for termination by either party clearly stated and satisfactory?
- Are there clauses pertaining to thirty-, sixty-, ninety-day advance notice, prior to termination date, that the contract will not be renewed? (If not, are we subjected to automatic renewal for a specified period, or time? If so, these should be avoided.)

4.9 Performance guarantees and Warranties of Quality:

- Would it be advisable to insert a liquidated damages clause?
- Would it be advisable to ask for a performance bond? (Some service contracts are required to have performance bonds)

greater than \$100,000).

- Would it be advisable to get a Dun and Bradstreet report on the supplier?
- Is the Buyer protected against negligence of the supplier's employees?
- Is the supplier's insurance protection adequate? (Will he furnish a Certificate of Insurance?)
- Is a "Force Majeure" clause satisfactory?
- Does the supplier guarantee performance?
- Does the supplier guarantee quality?
- Does the supplier guarantee the equipment for at least one year from start-up date against defects of design, materials, workmanship, etc.?
- Are inspection, test and engineering requirements fully understood by both parties?
- Is there an express written warranty by the Seller that the goods will conform to the description, promise, model or sample?
- Are there any provisions for cancellations or cure if the goods do not meet the specification?
- Does the written contract provide for a percentage of rejection, or for tolerances or variances?

4.10 Legal Requirements:

4.10.1 Does the contract meet all legal requirements?

- Federal, state or local laws
 - System Policies
 - Ethical and/or business standards of practice
 - ICC regulations
 - FTC regulations
 - Does the patent protection appear adequate?
-

1. Purpose

This procedure provides a sample of a standard contract that can be used for a variety of agreements.

2. Scope

This procedure applies University wide.

3. Procedure

3.1 The contract templates have been reviewed by System Office of General Counsel and can be used for many contracting applications. The contract may be supplemented with other documents that define the Scope or Statement of Work, the consideration and payments, and the general and special terms and conditions.

3.2 All contract templates require System General Office review every three years in accordance with System Policy 25.07, System Regulation 25.07.01 and the System Contract Review Checklist.

1. Purpose

This procedure provides a sample of a standard contract addendum that can be attached to a wide variety of Vendor agreement forms.

2. Scope

This procedure applies University wide.

3. Procedure

3.1 The addendum has been reviewed by System Office of General Counsel and can be used for many contracting applications. The formal documents may only be signed by those authorized in the Tables of Authorization for Contracts.

3.2 To use this addendum, follow these steps:

- Receive and review the vendor's contract form
 - Create a P.O. to document the agreement
 - Fill in the blanks on the Addendum
 - Secure the Vendor's signature on the Addendum
 - Sign the Vendor's contract form with the annotation, "as per addendum"
 - Copy to vendor and file originals of both documents
-

1. Purpose

1.1 To establish uniform procedures per the 86th Legislature Article IX, Section 17.10 Contract Management and Oversight for the 2020-2021 biennium focused on contract cost containment.

1.2 Sec. 17.10. Contract Management and Oversight

2. Scope

2.1 These procedures apply to all procurement procedures dealing with contract management. This procedure outlines all the details needed to form and work through the contract cost containment process for uses of State Appropriations only.

2.2 Texas A&M University-Kingsville is committed to having an effective, contract control process that is cost-effective in meeting the Legislative Budget Board statutes (Government Code, Section 2261), the General Appropriations Act (Art. IX, Sec. 17.10) and the State of Texas Procurement and Contract Management Guide for oversight on contracted goods and services. It is our goal with every purchase request to always make a good faith effort to identify and execute cost savings, valid invoicing, task completions, proper documentation and legitimate reasoning for contract extensions. Texas A&M University-Kingsville has ensured all contract administrators are trained and hold certifications for Contract Management and Procurement Management. Cost savings along with vendor performance can make for a positive relationship between the state agency and vendor, while ensuring best value for our campus community

3. Procedure

3.1 It is the intent of the Legislature that all agencies and institutions of higher education establish effective processes and controls to manage contracts and ensure the cost-effective use of state appropriations for contracted goods and services.

3.2 Agencies and institutions should manage contracts consistent with state statute, the General Appropriations Act, and the State of Texas Procurement and Contract Management Guide and ensure proper oversight of contract processes and responses including the following outlines in Section 4.

4. Provisions and Responses

4.1 Provision: Provide adequate time for applicable external reviews by the Quality Assurance Team (QAT) and Contract Advisory Team when establishing procurement timelines.

4.1.1 Response: Quality Assurance Team is currently Office of Compliance, Risk Management Department, Budget Department and Vice President for Finance and CFO. Procurement Office works with each individual Office as needed when working with contracts and timelines.

4.1.2 Response: Contract (Administration) Advisory Team:

- Rachel Buentello (Chair)
- Sara Robertson
- Chris Vera
- Catelyn Fritz
- Vilma Castillo

- Lonnie Nagel
- Vanessa Garza
- Kathy Pawelek
- Tamara Guillen
- Kimberly London
- David Ortegon

4.1.3 Response: Follow recommendations made by the Contract Advisory Team or adequately explain any deviations from the recommendations and why the deviation is necessary.

4.2 Provision: Ensure proper justification for proprietary purchases and that contracts are established and approved by the Statewide Procurement Division of the Office of the Comptroller.

4.2.1 Response: Refer to Procurement Manual: PP-120 Sole Source Justification

4.2.2 Response: It is the procedure of the University to make purchases under a competitive environment whenever possible. Purchases of equipment, supplies, or services available only from one vendor or under one brand name are considered Non-Competitive or Sole Source. All purchases above the “no bid limit” from a Sole Source must be justified.

4.2.3 Response: All Sole Sources are thoroughly reviewed by the Procurement and Travel Services Department and with approval only given by the Director of Procurement and Travel Services.

4.3 Provision: Ensure that contract award decisions are determined based on best value criteria established in solicitation documents to ensure fair and open competition.

4.3.1 Response: Refer to Procurement Manual:

- PP-064 Evaluation Committee Guidelines
- PP-290 Bids
- PP-062 Preparation of Specification (Statement of Work)
- Policy PP-030 Basic Procurement Procedures

4.3.2 Response: Procurement personnel are to seek to obtain and purchase all goods at the lowest possible total and use cost while maintaining departmental and campus wide needs when considering the guidelines of best value and any procurement

4.4 Provision: Ensure that staff involved in contract management or administration duties are adequately trained to perform those duties.

4.4.1 Response: Refer to Procurement Manual:

- PP-036 Requirements for Training & Certification of Procurement Professionals
- PP-010 Purchasing Procedures Manual

4.4.2 Response: Procurement and Travel Services Employees: Employees making purchases resulting in expenditures with routine purchases and contract development are required to take the State of Texas Comptroller of Public Accounts Texas Contract Developer Certification with a requirement of zero experience, CTCD Certification (formally CTPM) and an Exam score of no less than 80%.

4.4.3 Response: Employees making purchases resulting in expenditures with a job title of “contract manager” or “contract administration manager” or “contract technician” performs contract management activities as fifty percent (50%) or more of their job activities or manages any contract in excess of \$10,000,000. Employees must take the Texas Contract Manager Certification Training with a requirement of zero experience, CTCM Certification and an exam score of no less than 80%.

4.4.4 Response: University Departments - Departments must first receive training in Procurement Rules and Contract Management System to thoroughly understand the rules and regulations relating to Purchasing. This training teaches users on how to identify milestones, receipt of goods and services to ensure the invoice(s) are in accordance with the contractual pricing for each purchase order issued.

4.5 Provision: Periodically review internal contracting practices and manuals to ensure that they are current and up to date with current regulations and best practices.

4.5.1 Response:

- Refer to Texas A&M University System Contract Management Handbook
- Refer to Procurement Manual: PP-002 Format for Procurement Procedures

4.5.2 Response: Each procurement procedure must be reviewed at least every five years. All procedures are subject to review at any time and may be revised as needed or mandated by the State of Texas.

4.6 Provision: Ensure that provisions related to service level and pricing mechanisms in existing contracts are correctly enforced.

4.6.1 Response: Refer to Procurement Manual:

- PP-230 Price Validation

4.7 Provision: Enforce damage provisions for vendor non-performance and collect monetary refunds for improper payments to vendors.

4.7.1 Response: Refer to Procurement Manual:

- PP-032 Dispute Resolution Procedure
- PP-130 Contracting Program

4.7.2 Response: Our Contract Program with the assistance from the TAMUS Office of General Council (OGC) lay the legal framework, structure and content for contracts, which include provisions for the contractor when they do not meet, and/or unable to meet the contractual obligations executed for each contract.

4.7.2 Response: The e-procurement system Javelina that is utilized by TAMUK assists in the facilitation of invoicing to help ensure duplicate payments are not made.

4.8 Provision: Ensure dollar values of performance bonds and insurance are consistent with risk of nonperformance.

4.8.1 Response: Refer to Procurement Manual:

- PP-200 Historically Underutilized Business
- PP-130 Contracting Program

4.8.2 Response: Procurement Policy PP-062 Preparation of Specifications:

- Establishes performance and/or design characteristics with which compliance can be enforced.
- The performance, payment, and/or bid bonds if deemed necessary are addressed in the solicitation to the public.

4.9 Provision: Ensure that vendor performance is reported to the Vendor Performance Tracking System (VPTS) and that VPTS data is used in selecting vendors for contract awards.

4.9.1 Response:

- Texas Government Code (TGC) 2262.055 requires the VPTS; however, in TGC Chapter 2262 Statewide Contract Management Section 002 Exemptions states this chapter (2262) does not apply to an institution of higher education thus, TAMUK is exempted from reporting to the VPTS.
- Per the TAMUs Contract Management Handbook, Section 8 Evaluation and Award, D Proposal Evaluation, page 19, in addition, to the evaluation team contacting references; another option is to use the Vendor Performance System in evaluating past performance, and has been added as an option in the Evaluation Committee Guidelines Section 3.6.

4.10 Provision: Agencies shall make a good faith effort to identify and execute savings and efficiencies in their use of contracted goods and services. An agency or institution of higher education may not use funds appropriated elsewhere in this Act to pay for a contract for goods or services unless it:

4.10.1 Response: Seeks competitive bids before renewing or extending a contract that has been in effect more than five fiscal years as of August 31, 2019, and is valued at the lesser of \$10,000,000 or 10 percent of the agency's All Funds budget for the 2020-21 biennium.

4.10.2 Response: The following contracts are exempt from the requirements of this Subsection (c)(1) of this §17.10:

- TxSmartBuy, term, and cooperative contracts administered by the Comptroller or Department of Information Resources (DIR)
- Grants
- Interagency Contracts
- Contracts that relate to a construction project as defined by §2166.001, Government Code
- Contracts that relate to highway construction or highway engineering
- Contracts that relate to developing information resource applications or information resource technologies
- Contracts not required by law to be competitively bid.
- Managed care contracts in the Medicaid and CHIP program

4.11 Provision: Agency conducts a cost-benefit analysis to compare canceling or continuing any major information resource project and related contracts subject to QAT monitoring that is more than 50 percent over budget or over schedule. QAT must approve the cost-benefit analysis for the project to continue. If this requirement is not met, corrective actions in Article IX, Section 9.02, of this Act apply.

4.11.1 Response: Refer to Procurement Manual:

- PP-130 Contracting Program
- PP-030 Basic Procurement Procedures

- PP-065 Purchasing Accountability and Risk Analysis Procedure
- PP-230 Price Validation

4.12 An agency or institution may request, with regards to a contract, an additional exemption from the requirements of Subsection (c)(1) of this §17.10 by submitting a request to the Legislative Budget Board (LBB) which outlines the justification for requesting the exemption. The request shall be considered to be approved unless the Legislative Budget Board issues a written disapproval within 30 business days of the date on which the staff of the Legislative Budget Board concludes its review of the proposal to exempt the contract and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House of Representatives, and Lieutenant Governor.

4.12.1 The request shall state that the agency or institution agrees to enhanced oversight of the contract upon LBB approval of the exemption. The LBB shall determine the level of enhanced oversight that is necessary or may choose to waive oversight. Enhanced oversight may include, but is not limited to, the following elements: additional reporting requirements; increased monitoring of the contract; and the formation of an executive steering committee for the project to which the contract relates. For information technology related contracts, an executive steering committee may include members of QAT and/or its designee(s). Responsibilities of an executive steering committee may include, but are not limited to, review of procurement and contract terms prior to solicitation/execution; and ongoing oversight of the management of the contract. The LBB shall determine whether an agency or institution has met the requirements of enhanced oversight. If the LBB determines that the requirements have not been met, additional corrective actions, including, but not limited to, those specified in Article IX, Section 9.02 may be applied.

4.13 It is the intent of the Legislature that agencies and institutions minimize the use of extensions that extend a contract beyond the base term and any optional extensions provided in a contract. An agency or institution may not use funds appropriated elsewhere in this Act to pay for an extension to an existing agency contract beyond the base term and optional extensions provided for in that contract unless all of the following conditions are met:

4.13.1 The extension is limited in duration and cost to not more than one additional option period, as defined in the contract, to address the immediate operational or service delivery needs. If a contract does not contain a defined option period, the extension is limited to one year.

4.13.2 The agency or institution provides notice of the extension, at least 30 days prior to execution of the extension, by uploading required information to the LBB contracts database on a form prescribed by the LBB. Required information includes, but is not limited to: the cost of the contract; the duration of the contract; the reason for the extension of the contract; and a plan to ensure that the contract can be completed within the extension period, signed by the executive director or other similar agency or institution administrator, or designee of the agency or institution

4.13.3 The agency or institution shall ensure, prior to providing notice pursuant to Subsection (e)(2), that all information and documents specified in Article IX, Section 7.12 (d) have been uploaded to the LBB contracts database regardless of whether the information and documents are otherwise required to be uploaded under Article IX, Section 7.12.

4.13.4 Each agency and institution of higher education that receives appropriations in this Act, shall provide a report to the Legislative Budget Board and the Governor that details the steps taken to ensure compliance with state procurement requirements and any other information required by the Legislative Budget Board. The report for activities undertaken in fiscal year 2020 is due not later than September 30, 2020, and a summary report for the 2020-21 biennium is due August 31, 2021.

5. Summary Report Required - Cost Containment Strategy Worksheet

5.1 The cost containment strategy worksheet will list all contracts where savings were achieved during a biennium by appropriate funds only. The cost containment strategy are as follows:

- 5.1.1 Modify contract states of work to remove non-essential services or requirements
- 5.1.2 Provide services previously outsourced

5.1.3 Reduced staff augmentation contracts for non-essential functions

5.1.4 Ensure provisions related to service level and pricing mechanisms in existing contracts are correctly enforced

5.1.5 Enforce damage provisions for vendor non-performance and collect monetary refunds for improper payments to vendors

5.1.6 Ensure dollar values of performance bonds and insurance are consistent with risk of nonperformance and reduce requirements

5.1.7 Use TxSmartBuy, term contracts and cooperative contracts

5.1.8 Modify supplier terms and discounts

5.1.9 Consolidate purchasing requests and delivery intervals

5.1.10 Consolidate contracts for similar services into the fewest vendors possible

5.1.11 Reduce on-hand quantities of inventoried items centralize warehouses

5.1.12 Encourage vendors to identify potential cost savings

5.1.13 Other-Related to Contracting

5.2 The worksheet or instruction may require a listing of a General Appropriations Act (GAA) Budget Strategy and a Budget Program.

5.3 The Cost Containment Worksheet is located in the Laserfiche System at:

TAMUK\Division of Finance & Administration\Strategic Sourcing & Gen Svcs\Procurement Office\Administration\State of Texas\Reports\LBB

1. Purpose

The purpose of this procedure is to provide guidance to employees engaged in any aspect of the procurement function reporting as per the Texas A&M University System Contract Management Handbook, SB 20, Texas Government Code and the General Appropriations Act.

2. Scope

This procedure applies to all employees who participate in any phase of the procurement process.

3. Procedure

3.1 Posting of Contracts:

3.1.1 To determine if a purchase order or fully executed contract is required to be posted on the Procurement Website or the Legislative Budget Board Website, following the below criteria:

- SB 20: Established per SB 20, Section 18 Subchapter F. Sec 2261.253 Required posting of Certain Contracts.
- SB 20 (Government Code 2261.253) requires state agencies, and institutions of higher education, to report contracts for the purchase of goods or services from a private vendor, regardless of funding source.

3.1.2 To fully meet this requirement the following agreements, not already reported to the LBB, should be posted on the agencies Internet Website.

Note: Per Government Code 2261.253(d) posting requirements, do not apply to a memorandum of understanding, interagency contract, interlocal agreement, or a contract, which there is not a cost.

3.2 Required Posting:

3.2.1 Posting Requirements for Contracts Using Appropriated Funds:

- Internet posting of contracts required for each contract for the purchase of good or services, with a private vendor, regardless of value.
- Must be listed on an institution of higher education's web site post includes copy of the contract (may be redacted as allowed by 2261.253(e) and the request for proposal related to a competitively bid contract OR
- The statutory or other authority under which a contract is not competitively bid does not apply to:
 - Memorandum of Understanding
 - Interagency Contract
 - Interlocal Agreement
 - Contract with No Cost

3.2.2 Posting Requirement for Contracts Using Institutional Funds:

- Internet posting of contracts required for each contract for the purchase of good or services, with a private vendor, over \$15,000, without competitive bidding.
- Must be listed on an institution of higher education's web site.
- Post includes, copy of the contract (may be redacted as allowed by 2261.253(e) and the request for proposal related to a competitively bid contract OR
- The statutory authority under which a contract is not competitively bid, does not apply to:
 - Memorandum of Understanding
 - Interagency Contract
 - Interlocal Agreement
 - Contract with No Cost

3.2.3 Posting Requirement for Contracts Using Institutional Funds:

- Internet posting of contracts required for each contract for the purchase of good or services, with a private vendor, over \$15,000, without competitive bidding.
- Must be listed on an institution of higher education's web site.
- Post includes copy of the contract (may be redacted as allowed by 2261.253(e) and the request for proposal related to a competitively bid contract OR
- The statutory authority under which a contract is not competitively bid, does not apply to:
 - Memorandum of Understanding
 - Interagency Contract
 - Interlocal Agreement
 - Contract with No Cost

3.3 Texas Government Code:

3.3.1 Major information service contracts exceeding \$1 million must be reported, regardless of funding source. Report 10 days after award, Per Section 2054.008 Government Code.

3.3.2 Construction projects over \$14,000 must be reported, regardless of funding source. Report 10 days after award, Per Section 2166.2551 Government Code.

3.3.3 Professional service contracts over \$14,000 must be reported, regardless of funding source. Report 10 days after award, Per Section 2254.006 Government Code.

3.2 Institutions of higher education are exempt from providing to the Legislative Budget Board copies of major contracts and solicitation.

3.3 General Appropriations Act:

3.3.1 All contracts in excess of \$50,000, regardless of funding source, must be reported.

Includes major information systems

Report 30 days after award, Per GAA Article IX, Sec 7.04

3.3.2 All Non-Competitive Contracts exceeding \$1,000,000, regardless of funding source, must be reported.

Report 10 days before 1st payment but no later than 30 days after award, Per GAA Article IX, Sec 7.12

3.3.3 Large Contracts exceeding \$10,000,000 regardless of funding source must be reported.

Report 10 days before 1st payment but no later than 30 days after award, Per GAA Article IX, Sec 7.12

3.3.4 Notification to LBB should include:

- Copy of all contract documents
- Copy of solicitation
- Completed/Signed Attestation Form

3.4 All Emergency Contracts exceeding \$1,000,000 must be reported.

3.4.1 Report 48 hours before 1st payment, Per GAA Article IX, Sec 7.12

For additional information, visit the LBB web-site at: https://www.lbb.state.tx.us/Contract_Reporting.aspx

PP-140 Non-PO Based Invoice

Approved June 5, 1996

Revised February 5, 2007 & January 9, 2018

Next Schedule Review: January 9, 2023

1. Purpose

To define, establish criteria for use, and provide instructions for using Limited purchase orders.

2. Scope

This procedure applies University wide.

3. Procedures

3.1 A Non-PO Based Invoices may be created for commodities within the departmental delegated authority amount. The creation of a Non-PO Based Invoice commits University funds for the procurement of goods and certain services necessary for University operations. There are several basic differences in the uses of Non-PO Based Invoices, however;

3.1.1 Non-PO Based Invoices are primarily intended as a means of expediting the acquisition of goods and services to departments where the more normal purchasing procedures might result in significant operational delays. They are to be used only when the department requires their use and not as a means of circumventing standard purchasing procedures.

3.1.2 Non-PO Based Invoices are created through the JavelinaBuy E-Procurement System. Only persons trained and authorized to use the JavelinaBuy E-Procurement System screens may create Non-PO Based Invoices. The Non-PO Based Invoice number is the number by which the transaction can be identified.

3.1.3 It is the responsibility of the individual whom enters the Non-PO Based Invoice to ensure that they are properly used and that they are used only for legitimate University acquisitions. It is also his/her responsibility to ensure that the use of any Non-PO Based Invoice number is properly recorded and that the invoices will be properly processed.

3.2 Restrictions:

3.2.1 The Non-PO Based Invoice may not be used to order items that are available through State Term Contracts or the Storeroom. Non-PO Based Invoices may not be used to order Capitalized Equipment (equipment costing more than \$10,000) or for services performed on the campus. HEAF funds may not be used on Non-PO Based Invoices.

3.3 Documentation:

3.3.1 Each Non-PO Based Invoice will be supported by the JavelinaBuy E-Procurement System, where order forms, invoices and related support documentation will be kept.

3.3.2 The Non-PO Based Invoice is to be completed as follows:

- Within JavelinaBuy select the Accounts Payable tab and click on “Create New Invoice, Credit Memo or Receipt” and enter your “Supplier Name” and then click create. Only persons authorized and trained in JavelinaBuy may create a Non-PO Based Invoice. Ensure the Vendor is not on State Hold. If Vendor is on State Hold, please do not proceed to utilize the Vendor until the Vendor clears up the hold.
- Enter the supplier’s invoice number. This number is found on the invoice and is unique to that invoice.
- Enter the date the invoice was received by your department. All invoices are to be date stamped as to when they arrived in a department.

- Add your Non-PO Item under “Line Item Details” and click save or add another item. The first item listed is always Item No. 1. The second item listed is Item No. 2. These must correlate to the FAMIS item numbers. Note: If Freight is being charged and the Freight amount is known, it should be entered as the last line item.
- Enter a short Description of the line item. The description must include the item name and may include a part number.
- Enter the amount entered. The Quantity X Unit Price must equal Extended Price. The Quantity must agree with the Unit Measure.
- Enter the Unit of Measure. The Description, Unit of Measure, Quantity, and Unit Price Must Agree. See Preparation of Requisitions, Procedure No. PP-160 for a complete list of standard Units of Measure. The most common Units of Measure are: Each (Ea), M (for 1000), C (for 100) and Lot. Other common Units of Measure may be: Box (Bx), Carton (Ctn), and Package (Pkg).
- Click on the Buyer Invoice tab and sub-tab code to enter the account number. Enter the account number. Each Line Item may be charged to a different account. If multiple accounts are used, enter each account number and their representative dollar portion of the total Non-PO Based Invoice.
- We cannot accept terms less than 30 days. Discounted terms (i.e. 3/10 Net 30) are acceptable so long as the net is 30.
- When properly filled out, an experienced user should be able to make a sentence from Description, Quantity, Unit of Measure, Unit Price and Extended Price that would read something like this “We are ordering 2 (quantity) cases (unit of measure) of the 12 ounce cans of black spray paint sold at 24 cans per case (description) with a price of \$46.30 per case (unit price) for a total of \$92.60 (extended price)”.
- The Account Manager will electronically sign the Non-PO Based Invoice as it routes through the E-Procurement System, JavelinaBuy.

3.4 Types of Purchases Authorized with Non-PO Based Invoice Orders:

3.4.1 Characteristics:

- Quick Delivery
- Consumable
- Full Shipment (all items received and invoiced at once)
- Will Call or Pickup

3.4.2 Examples:

- VWR Scientific Contract Items
- Wal-Mart
- Auto Supply

3.4.2 Conference Registration – the supporting document (flyer) must include the full name of the conference, the beginning and ending dates of the conference and description. This type of expense may also be paid by the travel or payment card.

3.4.3 Minor Catalog Supplies

3.4.4 Reimbursement to Employee (purchases greater than Petty Cash Limit with prior authorizations) Books Subscriptions

3.5 Types of Purchases Prohibited with a Non-PO Based Invoiced Purchase Orders:

- Capital Equipment (equipment costing \$10,000.00 or more)
 - Controlled Equipment
 - Firearms
 - Cash Registers
 - Fax Machines, Cameras, VCRs/Televisions, Printers, Stereo Equipment, Projectors, Microcomputers > \$500.00
 - Items available through State Contract
 - Food
 - Individual Travel Services
 - Purchases > \$10,000.00
-

PP-180 Purchase Order Cancellation

Approved June 6, 1996

Revised January 9, 2018

Next Schedule Review: January 9, 2023

1. Purpose

To establish purchase order cancellation procedures.

2. Scope

Applies to all purchase cancellations.

3. Procedure

3.1 Cancellation of orders whose value is below \$5,000 may be accomplished verbally. Cancellation of all other orders shall be in writing by the Department to Procurement and Travel Services. All Purchase Orders without deliver beyond six months of the expected deliver date may be cancelled in JavelinaBuy by a Procurement and Travel Services purchaser/buyer/Executive Director.

3.2 In the event that a vendor has begun production of a custom-made part or product, or has secured for delivery to the University an article that the vendor is not likely to sell within the vendor's normal scope of business, or if the vendor has incurred costs in preparation for special or custom production, the University shall accept such costs as vendor may incur as a result of this cancellation. These costs might include payment for all custom-made parts or products already completed prior to cancellation or restocking charges incurred for returnable goods.

1. Purpose

1.1 The purpose of this procedure is to provide guidance to employees engaged in any aspect of the request and payment of Sponsorships for Community Events or Conferences. The request or payment of Sponsorships for Community Events or Conferences must align with the University's mission and vision. Various sections of the Texas Constitution prohibit the giving away of the state's money or property or the use of state property for private reason.

1.2 Many times, Texas A&M University-Kingsville is asked to sponsor activities or organizations by our monetary support. In some cases, it is important for marketing and visibility purposes for the University to participate in activities that financially benefit external organizations. This can be accomplished through the purchase of tickets or table(s) at external events, which are then used for University personnel or volunteers to represent the University at the event. It is essential that the University wisely and strategically invest its limited resources in such a way that is stays within and advances its mission.

2. Scope

This procedure applies to all employees who participate in any phase of the request or payment of Sponsorships.

3. Procedure

3.1 Request Process:

3.1.1 When processing request for payments for sponsorships, the following information must be included in the request documentation:

- Description of the planned event or function and supporting documentation, which includes date of the event or function. (attach appropriate sponsorship forms).
- The purpose of the sponsorship and the benefit this provides to TAMUK and the department.
- How this expense relates to the purpose of the account used to pay the sponsorship.
- A detailed itemization and description of the specific items that will be paid for by our sponsorship i.e. recognition, placement on conference flyer etc.
- Verification that expense is allowable on type of funding being utilized.

3.2 Approval Process:

3.2.1 Each approver at their level must evaluate each request based upon its alignment with the University's mission and vision, marketing and community relations goals, limited resources and priorities.

3.2.2 Each approver must also carefully consider any potential institutional conflict of interest or perception of conflict of interest that may arise from the requested sponsorship.

3.2.3 The E-Procurement System JavelinaBuy will route notification to Marketing and Communication Department. Recommendations for all sponsorships will be forwarded to the Appropriate Vice President for approval.

3.3 Routing Process for Non-Catalog Item Requisitions:

3.3.1 For sponsorships that exceed the departmental delegated authority amount of \$10,000.00, the requesting department creates a Non-Catalog Item Requisition in the e-procurement system, JavelinaBuy.

3.3.2 The requisition routing path is set-up to notify the Office of Marketing and Communications prior to arrival into the Procurement and Travel Services Department for review. Upon routing to Procurement and Travel Services, a Buyer will review the requisition to ensure all accompanying support documentation is provided and adheres to the Section 3.1 of this procedure.

3.3.3 Upon buyer approval, the Non-Catalog Item Requisition will proceed to route via “Ad Hoc Approver” to the appropriate Vice President for approval. The approving Vice President has the following options:

- *“Return to Requisitioner”* the requisition will be returned to the creator of the document for corrections and may be re-submitted, which it will route the requisition through the system again.
- *“Reject Requisition”*, which will terminate the requisition and will not route in the system again.
- *“Approve/Complete Step”* the requisition, which will initiate a Purchase Order.

3.4 Routing Process for Non-PO Based Invoices:

3.4.1 For sponsorships that are less than the departmental delegated authority amount of \$,10000.00, a Non-PO Based Invoice is created by the requesting department in the E-procurement system, JavelinaBuy.

3.4.2 The invoice routing path is set-up to notify the Office of Marketing and Communications prior to arrival into the Procurement and Travel Services Department for review.

3.4.3 Upon routing to Procurement and Travel Services, a Buyer will review the invoice to ensure all accompanying support documentation is provided and adheres to the “Request Process” steps and requirements of this procedure.

3.4.4 Upon Buyer approval, the Non-PO Based Invoice will proceed to route via “Ad Hoc Approver” to the appropriate Vice President for approval. The approving Vice President has the following options:

- *“Return Invoice”* the invoice will be returned to the creator of the document for corrections and may be re-submitted, which it will route the invoice through the system again.
 - *“Reject/Cancel”* the invoice, which will terminate the invoice and the documents will not route through the system again.
 - *“Approve/Complete Step”* the invoice will be approved for payment and route to Accounts Payable for their review and processing of the payment.
-

1. Policy on Historically Underutilized Businesses

1.1 It is the policy of Texas A&M University-Kingsville to involve qualified Historically Underutilized Businesses (HUBs) to the greatest extent allowed by law in the System's construction contracting, professional services, and purchase, lease, or rental of all supplies, materials, services and equipment.

1.1.1 The University, its contractors and subcontractors shall not discriminate on the basis of race, color, religion, national origin, sex, disability, political belief or affiliation in the award of contracts.

1.1.2 Every University employee responsible for conducting business with outside vendors has the responsibility of making a good faith effort of ensuring that HUBs are afforded an equitable opportunity to compete for all procurement and contracting activities of the University.

1.2 Statewide HUB Program a division of the Statewide Procurement Division (SPD) and the University, as an Institution of Higher Education, operate under the basic principles of free and vigorous competition.

1.2.1 To ensure that all vendors have free access to participate in the competitive process, the University will establish and carry out policies governing purchasing and public works contracting that foster meaningful and substantive inclusion of historically underutilized businesses.

1.3 The University, in conjunction with the Statewide HUB Program, proactively identifies and ensures that minority, women owned, and Service Disabled Veterans' businesses are given an equal opportunity to bid on delegated purchases, open market purchases, term contracts, leases, and construction projects by aiding in understanding the State's bidding process. In an effort to achieve this mission, the State of Texas Comptroller's Office has implemented the following programs:

1.3.1 Statewide Historically Underutilized Business Program Procurement Connection Seminar and Expo (Focus: How to contract with the State of Texas and its vendors and grow your HUB business) and Economic Opportunity Forums (EOF) Calendar (Focus: a site that provides a schedule of various EOFs; i.e. vendor fairs, spot bid fairs, conventions, conferences, workshops, seminars, etc.) The Seminar and Expo along with the EOF calendar are sponsored by state and local government agencies and universities as well as development centers and trade organizations that aid and guidance for economic development and sustainability of small, minority, woman and service-disabled veteran owned businesses.

1.3.2 The programs will focus on identifying, educating, assisting, and certifying HUBs throughout the State of Texas who sell Products and/or services that the State purchases.

1.3.3 The Procurement Connection Seminar and EOFs will also provide HUB participants with an opportunity to network with representatives from the largest state agencies and obtain information regarding contracting opportunities. Seminars and Expos is a training seminar offering several concurrent workshops for HUBs, State Purchasers, and Organizations (i.e., local Chambers of Commerce, Minority and Small Business Development Centers).

1.3.4 Business Opportunities: This Workshop provides minority and women-owned businesses the opportunity to gain an inside perspective on how the procurement and bid opening process works, along with learning how to use various informational tools available under the Texas Public Information Act. The Work Shop will provide essential information for preparing and submitting bids and will discuss networking and marketing techniques to effectively promote your business, HUB Certification and the Bid List/Certification Application. The form allows qualified minority, women-owned and service disabled veteran businesses to be certified as HUBs. The form may also be used as a request to be placed on any other state agency bid list, including the Centralized Master Bidders List (CMBL).

1.4 Per to qualify as a certified HUB, the business must be a for-profit entity that has not exceeded the size standard prescribed by 34 TAC §20.294 and has its principal place of business in Texas. Corporation, Sole Proprietorship, Partnership or Joint Venture in which at least 51 percent of all classes of the shares of stock or other equitable securities are owned by one or more persons who have been historically underutilized (socially disadvantaged) because of their identification as members of certain groups, including Black American, Hispanic American, Asian Pacific American, Native American, American women and/or Service Disabled Veteran who reside in Texas and actively participate in the control, operation, and management of the entity's affairs.

1.4.1 The Statewide HUB Program will conduct random certification audits to examine records, books and files of certified HUBs to verify qualifications and maintain the integrity of the certification process. In the event a person/business intentionally applies for HUB certification and knowingly does not meet the criteria of a HUB, the person/business will be removed from the State's automated HUB Directory and will be subject to legal prosecution.

2. Certification Benefit

2.1 Being certified offers a minority, women-owned business and service disabled veteran the opportunity to be listed on the State's automated HUB Directory, maintained by the Statewide HUB Program. This Directory is accessed daily by 250 state agencies (with over 750 users) to locate certified HUBs.

2.2 Being certified increases a HUB's opportunity to be contacted for spot and delegated purchases. A spot purchase of supplies, materials or services under \$25,000 delegated to state agencies in accordance with the Statewide Procurement Division rules.

3. Purchasing Policies and Procedures

3.1 In an effort to maximize contracting opportunities for HUBs, the University has adopted the following Purchasing Policies and Procedures.

3.1.1 Purchases under \$10,000 require a minimum of one (1) informal bid; HUB solicitations are encouraged.

3.1.2 Purchases \$10,000.01 to \$25,000 require a minimum of three (3) bids; a minimum of 2 certified HUBs must be solicited.

3.1.3 Performance Bonds are only required for contracts greater than \$100,000.

3.1.4 Certified HUBs will be listed on the State's automated HUB Directory.

3.1.5 An automated semi-annual and annual expenditure report will be utilized to compile and analyze the total dollars awarded to HUBs.

3.1.6 The Statewide HUB Program will conduct random certification audits to verify the qualifications of HUBs.

3.1.7 Some term contracts will be developed by the Statewide Procurement Program by regions or districts, awards will be made in smaller contractual units, and various quality levels will be set in order to increase participation.

3.1.8 News media avenues (i.e., ethnic newspapers, brochures, Small Business Development Centers, local Chambers of Commerce) will be used to advertise appropriate contract opportunities.

1. Purpose

This policy provides the guidelines to be used in all procurement negotiations.

2. Scope

This policy applies to all employees.

3. Procedure

3.1 Negotiation may be used in Lieu of Competitive Bidding. In almost all instances, purchases are based on competitive bids. Negotiations are prohibited when a competitive environment exists. However, negotiation of contracts is permitted and encouraged for non-competitive environments, which included:

3.1.1 Purchases made using Catalog Purchasing Procedures through a Catalog Information Systems Vendor.

3.1.2 Emergency purchases when bidding is not practical.

3.1.3 Purchases of an item for which there is only one source of supply.

3.1.4 Purchases by means of a Request for Proposal.

3.1.5. Purchases when only one bidder responds to a competitive bid offer.

3.1.6 Purchases of services described in the Professional Services Act.

3.2 General:

3.2.1 Negotiation may be a formal or semi-formal process such as occurs in contract negotiations, or may be an informal process or activity that takes place in qualifying a vendor, evaluating a product, establishing a set of specifications, of undertaking any of the other aspects of the procurement function.

3.2.3 Negotiation demands a high degree of skill, experience, preparation and continuing practice to maintain peak performance levels. Both the vendor-negotiator and the buyer-negotiator must have final authority to effectively undertake the negotiation process.

3.2.4 The following is a list of procurement attributes that tend to escalate the need for skilled negotiations:

- The product is to be designed and/or produced according to unique specifications.
- Procurement time is “of the essence.”
- Active price competition is lacking among an adequate number of able and willing suppliers.
- Specifications are vague and indefinite.
- Procurement is to extend over a long period.

- Several design or specification changes are anticipated.
- Larger future requirements are anticipated.
- The procurement is sizable and involves a strong possibility of multiple awards.
- The procurement involves a substantial initial investment by the supplier, or an extended period of preparation and/or engineering.
- The quotation procedure of establishing fair and reasonable prices is subject to doubt.

3.3 Whenever doubts are raised, or could arise, as to the necessity or manner of negotiating, procurement personnel are advised to seek assistance from people with the requisite skills and experience in negotiating.

3.4 Negotiation Questions: The following checklist questions will help guide-purchasing personnel in the majority of situations. Some of the questions will only apply infrequently in limited circumstances.

The questions are grouped by subject area:

3.4.1 Buyer's Knowledge of What She or He is Buying:

- Have the drawing and uses of parts or materials been reviewed?

3.4.2 Proposed Sources—Suppliers and Materials:

- Are quotations being secured from an adequate number of sources?
- Are there alternate materials or sources?

3.4.4 Financial Responsibility:

- Has the supplier's financial and credit responsibility been considered in the light of the work to be performed?
- Does he seem over-extended by current commitment?
- Have his cash-flow needs been reviewed?

3.4.5 Facilities:

- Do suppliers have sufficient areas and equipment to perform in accordance with out delivery schedule?
- Is it known exactly what operations the supplier intends to subcontract?
- Is the bidder's proposed subcontracting advantageous to us, the buyer?
- Does the supplier demonstrate ability to control his own subcontracting?

3.4.6 Performance:

- Are the proposed sources accustomed to manufacturing this item or similar items?
- Do they demonstrate, on the strength of past performance, ability to meet this schedule?
- Do their past rejection experience demonstrate ability to meet test and quality requirements?

- Is a performance bond advisable?
- Is a penalty clause advisable?
- Should you obtain the right to use or acquire tooling, designs and/or materials to manufacture this item, in case of default?

3.4.7 Tooling:

- Is special tooling being purchased separately?
- Are there any mating or interchangeability problems requiring special action?
- Is it advisable to have tooling coded with our code numbers?
- Have we distinguished between special tooling required for the contract and facility items?

3.4.8 Patents, Royalties and Development:

- Is this a patented item?
- Can the article be reproduced through other sources without infringing on patent rights?
- Are research and development costs set up as separate items, so that future procurements will not be affected?
- Does the Buyer have a right to acquire any patents resulting from research and development?

3.4.9 Planning and Scheduling:

- Has the supplier's proposed sequence of work or operations been analyzed?
- Are all necessary activities included?
- Has the supplier established realistic control points and flow times, by activity or operation, consistent with the demands of this contract?
- Has he balanced loads among activities?
- Are there any special handling, packaging or shipping requirements that may delay delivery?
- Are spares involved, and are test and engineering requirements fully understood?

3.4.10 Technical Requirements:

- Are all inspection, test and engineering requirements fully understood?
- Is the item adequately described on the blueprints, specifications, purchase order, etc. so that no doubt exists as to what is ordered?
- Are there any special test or quality control requirements the supplier must meet? Does he fully understand them, and does he have time, facilities and know-how to comply?

3.4.11 Ethical Considerations:

- Are the negotiations being conducted according to the requisite high ethical standards?

3.5 An “original” cost-cutting method developed by one supplier should not be exposed to the supplier’s competition, nor should we reveal terms and prices to get another supplier to make a more advantageous agreement.

1. Purpose

To establish a procedure for the issuance of formal purchase orders.

2. Scope

This procedure applies University wide.

3. Procedure

3.1 All formal purchase orders shall be prepared from a properly completed purchase requisition in JavelinaBuy. The purchase requisition is designed to contain all of the necessary information and signature relevant to the processing of the procurement within the University. The completion of the purchase requisition by the Buyer is the principal document used to prepare a formal purchase order.

3.2 Formal purchase orders shall be prepared under the following conditions:

- When requested or required by a vendor.
- When the Buyer feels that the order is sufficiently complicated to require a written confirmation or the vendor.
- When the transaction exceeds \$10,000.00 in value.
- When the term of the agreement will exceed six months.

3.3 The formal purchase order will be distributed as follows:

- Electronically via JavelinaBuy to the PO distribution email on file under for the vendor.
- The PO is maintained along with the support documentation in JavelinaBuy.

3.4 The formal purchase order is used as a written order to a vendor and may be an original order or may confirm a verbal order. This form may also serve as a written change order. 3.5 The form is created from information supplied by a properly completed purchase requisition and bid documents as entered into the E-Procurement System, JavelinaBuy. (See the JavelinaBuy E-Procurement System Enterers and User's Manual.)

1. Purpose

Price validation is an integral part of the purchasing process. It is the purpose of this policy to provide guidelines to buying personnel when effecting purchases.

2. Scope

This policy applies to all purchases.

3. Procedure

3.1 It is the basic responsibility of all purchasing personnel to validate the reasonableness of all prices paid for goods and services. The preferred method is to conduct price analysis (the comparison of prices) when the quotations received are normally competitive. When price analysis cannot be performed (for example in an emergency), Buyers are to use cost analysis (an examination of elemental cost data within each quotation).

3.2 Departments are responsible to confirm all prices for orders less than \$10,000.

3.3 To assure satisfaction of our needs at the lowest possible cost consistent with the best quality, service and deliver of required goods, the following factors should be considered in analyzing cost:

3.3.1 Cost Factors:

- Initial purchase price
- F.O.B. point
- Cash terms.
- Transportation costs.
- Lead time
- Inventory costs
- Quality control
- Packaging and handling cost
- Financial

3.4 Purchasing personnel are expected to be well informed about University needs and price/cost information pertinent to the goods and services required to meet those needs. The price validation process should include an examination of total costs and not simply the purchase price.

1. Purpose

To define the purchasing procedures and parameters for foreign vendor purchases.

2. Scope

This procedure applies University wide.

3. Procedure

3.1 If an approved and verified domestic vendor is unable to provide you with your purchase request even with producing similar specifications, with all other efforts exhausted then a foreign vendor may be utilized, granted only if the following steps have been adhered to:

3.1.1 A Restricted Party Screening (RPS) is required to be ran through Visual Compliance by your Departmental Compliance Representative. The RPS results are to be included with your support documentation for the purchase. For further information on RPS and Visual Compliance you may contact the Office of Compliance <https://www.tamuk.edu/finance/hr/compliance/>.

3.1.2 The foreign vendor will have to be verified by filling-out in it's entirely one of the W-8 form(s) per "Procurement Policy: PP-067 Supplier Verification" or by the "Vendor Verification" resource that is located on the Procurement and Travel Services Department website: <https://www.tamuk.edu/finance/procurement/purchasing/resources.html>. Further information may also be obtained per the following link: <https://fmo.tamu.edu/accounts-payable/vendor-setup/>

3.1.2 It is preferred the quote or proposal provided by the vendor is in United States Dollars (USD), if it is not then the currency exchange rate would need to be provided with your support documentation.

3.1.3 As with any purchase request; if extenuating circumstances may prevail or foreseen the Procurement and Travel Services Department must be contacted first.

3.1.4 If the purchase from a foreign vendor is not executed per the requirements stated in this policy the responsible party may be held liable for the purchase cost. If personal funds are utilized, a reimbursement may not be authorized by TAMUK if the requirements stated in this policy are not adhered to.

3.1.5 The purchasing methods with a foreign vendor are as listed only if all items in this procedure has been adhered to:

- Procurement Card
 - Non-Catalog Item Requisition
 - Non-PO Based Invoice
-

1. Purpose

To provide procedures for the establishment and maintenance of Purchasing Department files.

2. Scope

This procedure applies to all Purchase Orders generated from Procurement and Travel Services.

3. Procedure

3.1 All files kept for the Procurement and Travel Services shall be established and maintained by the Purchasing Assistant whose responsibility they shall be.

3.2 Files maintained within the Purchasing Department and their retention schedules shall be as follows:

3.2.1 All purchase requisitions shall be included with their Purchase Order number with separate files maintained for each calendar year. The current year plus two prior year's requisitions shall be maintained in the Purchasing Department. The third, fourth, and fifth prior years they shall be maintained in storage. All requisitions older than the fifth prior year shall be destroyed.

3.2.2 All Spot purchase order copies shall be maintained in numerical order for three years, after which time they shall be destroyed.

3.2.3 Logs of all purchase order numbers and all field purchase order numbers shall be maintained in the FAMIS database. After five years, they may be purged.

3.2.4 All Fixed Assets shall be entered into the FAMIS database. Documents relating to these purchases shall be maintained for five years.

PP-260 Return for Credit Procedure

Approved June 5, 1996

Revised January 10, 2018

Next Schedule Review: January 10, 2023

1. Purpose

To establish the procedure for the return of materials purchased.

2. Scope

This procedure applies University wide.

3. Procedure

3.1 The Department/End User is to be notified of merchandise received and determined excessive, obviously damaged, nonacceptable, inappropriate or substandard to the intended end-use for which it was purchased. It is the Department/End User responsibility to negotiate and arrange return of the merchandise.

3.2 It is the responsibility of the Department/End User returning the goods to request a credit invoice from the Vendor and forward to Procurement and Travel Services.

3.3 Depending on circumstances involved, disposition alternatives to be considered include:

- Vendor furnishes suitable replacement at no charge, or negotiates cost difference to the University and arranges pickup, handling and freight costs
- Vendor will re-invoice the University for Negotiated Price Reduction
- Scrap
- Return to vendor for full credit, less restocking charge and freight
- Return to vendor for full credit, freight collect

3.4 All such transactions are to be discussed with the Purchasing Agent prior to commitment.

1. Purpose

To provide a procedure for returning materials to vendor.

2. Scope

This procedure will apply to **ALL** returned materials.

3. Procedure

3.1 Department/End User will approve the return of all items after contact is made with supplier (see Procedure PP-260, Return for Credit Procedure).

3.2 Department/End User will coordinate paper work and shipping.

3.3 Departments requesting material to be returned will furnish pertinent information regarding original receipt:

3.3.1 Vendor name and invoice number

3.3.2 Full describing

3.3.3 Reason for returning material

3.3.4 Purchase order number

3.4 Damaged Material:

3.4.1 Department/End User will review items and determine or suspect to damage at time of receipt and will note on carrier packing slip regarding damaged goods or packages.

3.4.2 Notify vendor and Buyer concerning the handling of parts in question.

3.4.3 Determine extent of damage and contract vendor for remedy.

3.5 When credit is to be made:

3.5.1 Obtain credit memo from Vendor.

3.5.2 If replacement is issued from Vendor, obtained invoice noting this exchange.

3.6 Material Not Meeting Need.

3.6.1 If department determines that they did not correctly specify the material requirements and determines that the equipment should be returned, the following will apply:

- Contact Vendor for return shipping slip and work with Central Receiving on returning to shipping vendor.
 - Contract the Buyer to authorize to pay a reasonable restocking fee (usually less than \$1,500.00). The ordering department shall be responsible for all return costs.
-

1. Purpose

To provide familiarity with purchasing law to all Purchasing personnel.

2. Scope

This policy applies to all employees.

3. Procedure

3.1 Every Buyer should have sufficient knowledge of the law to enable him to understand the relationship between himself and the University, and the legal consequences of the acts that he performs in the University's name.

3.2 With knowledge of the legal fundamentals of purchasing, the Buyer will be better equipped to recognize the need for legal guidance and seek it when necessary.

3.3 Acts of Purchasing Agents, Buyers and authorized personnel are binding upon the University, within the limits of the express authority given them. Sellers accustomed to dealing with a particular Buyer, who has general authority, are justified in believing that his successor will have the same degree of authority, however, with State Government, the seller must assure him/herself that the buyer does have express authority.

3.4 The purchaser must also know definitely, when the sales representative is authorized to conclude a contract. Useless he is additionally authorized; the sales representative's authority is usually limited to soliciting orders. The sales representative's employer ratifies and accepts them.

4. Personal Liability

4.1 The Purchasing employees and those delegated Purchasing authority represent the University in buying transactions and are governed by the law of agency. As an agent, Buyer has the "express authority" granted by the University and is guided by written, unwritten, and established practices and procedures.

4.2 So long as Buyer acts within the scope of "expressed authority," and is neither negligent, dishonest, nor acting in bad faith, Buyer is not likely to become personally liable for such actions. However, personal liability may occur if the scope of express authority is exceeded. Buyer is always liable for tortious acts, such as assault and battery.

4.3. To protect against personal liability, the Buyer must avoid the following types of situations:

4.3.1 Making a false statement about authority.

4.3.2 Making any false statement with an intent to deceive.

4.3.3 Taking any action without authority that could result in damage to another.

4.3.4 Performing an illegal act, even with the authorization of employer.

4.3.5 Performing any damaging act outside Buyer's scope of authority.

4.3.6 Entering into agreements that exceed the Buyer's express authority.

4.4 In each of these cases, the seller ordinarily has no recourse to the University, since no valid contract exists between the seller and the University. The only recourse, which the seller commonly has, is to sue to the Buyer personally. Under some circumstance, Buyer may be answerable to the University and to the seller with whom Buyer had been dealing.

1. Purpose

To establish a procedure to accommodate “Rush” requirements.

2. Scope

This procedure applies to all purchases.

3. Procedure

3.1 From time to time it is recognized that requirements will arise whose urgency will dictate immediate processing. In such case, contract Procurement and Travel Services directly for immediate attention.

3.2 Every effort will be made to process “Rush” purchase requisitions immediately. If, for any reason, the Buyer has difficulty meeting the time requirement, Buyer will promptly consult with the requester and will notify the Purchasing Agent.

3.3 It should be noted that every effort should be made to minimize “Rush” transactions.

1. Purpose

To provide policy concerning the solicitation of competitive bids.

2. Scope

This policy applies to transactions on materials and/or services with an estimated unit price of greater than \$10,000.00 and covered by a contractual agreement.

3. Procedure

3.1 The Buyers are responsible for obtaining bids on material and/or services that are expected to exceed \$10,000.00 except as noted below under "Exceptions". This shall be done for both estimating purposes and purchases. A price check must be made on expenditures less than \$10,000.00.

3.2 For all funds, purchase procedures will follow the Texas A&M University System Procurement Code.

4. Types of Bids

4.1 Informal:

4.1.1 Informal Bids will be obtained for purchases of standard or non-complex material with an estimated unit price between \$10,000.01 and \$25,000.00. Bids are to be recorded in the P.O. file. The Bid Record must contain the name of the company and the quoted price. When possible, the Bid Record will include the name of the person making the quote and the phone number for the vendor. Informal Bids may be solicited from the telephone or fax with an informal form.

4.1.2 Three (3) bids should come from the CMBL; two (2) HUB solicitations are required. More than three (3) bids may be solicited when the competitive environment will be enhanced.

4.1.3 Informal bids are to be designed to expedite the solicitation, award, and delivery of the goods or services. Specifications should be simple and clear but should provide for a competitive environment.

4.1.4 With specific authorization from the Executive Director of Procurement and Travel Services, departments may be allowed to obtain informal bids.

4.2 Formal:

4.2.1 Formal bids will be obtained for purchases of all equipment and services greater than \$25,000.01. The formal bid form must be used. A record of the bid list and a bid summary will be maintained in the P.O. file or on the FAMIS database.

4.2.2 Formal bids will have written detailed specifications. The specifications should not limit or eliminate competition unnecessarily. The specifications should incorporate a clear and accurate description of the goods or services to be procured. This description should not contain requirements, which unnecessarily limit competition; and the description should include:

- A statement setting minimum requirements the specific features of the goods or services which must be met.
- Language with additions, extensions of the order, escalations, etc. dates of service or delivery terms for items being purchased, as required minimum essential characteristics and standards of items or services to which they must

conform if they are to satisfy their intended use special clauses for funding purposes, as required include any written data requirements, if necessary evaluation factors which will be used in determining the successful bidder, i.e., a clear objective basis of award.

1. Purpose

To establish written procedures for the disposal methods of any University property including excess, surplus and/or salvage property in accordance with System Regulation 21.01.10, Surplus or Salvage Property.

2. Scope

This procedure will apply to all University excess, surplus and/or salvage materials.

3. Procedure

3.1 The procedure is required by System Regulation 21.01.10 Surplus or Salvage Property.

3.2 Related Procedure:

3.2.1 The identification and handling of surplus, salvage and scrap material is to be accomplished in accordance with the Texas A&M University System Equipment Manual and the State of Texas Property Accounting System.

3.3 Definition:

3.3.1 For purpose of the procedure, the following definitions shall apply:

- Materials – Equipment Tools, Supplies, Commodities, and Building Materials, etc.
- Surplus – Personal property that exceeds the University ‘needs and is not required for the university's foreseeable needs; including used or new property that retains some usefulness for the purpose for which it was intended or for another purpose
- Salvage – Any personal property which through use, time, or accident is so depleted, worn out, damaged, used, or consumed that it has no value for the purpose for which it was originally intended.
- Scrap – Item that has no useable life in its present condition and is broken or worn out items with no potential use.

3.4 Excess Property:

3.4.1 Personal property becomes excess to the Department when the head of the department determines it is not required to meet the department’s needs or responsibilities. Department Excess Property shall be transferred to the Central Receiving Surplus Section by submitting a property transfer request.

3.4.2 The Central Receiving Surplus Section will attempt to redistribute useful excess property within the University as a first order. If property cannot be reassigned within the University, the Central Receiving Surplus Section will attempt to redistribute it to Public Schools in accordance with System Policy.

3.5 Surplus Property:

3.5.1 Surplus Property is any personal property which is in excess of the needs of the University and which is not required for its foreseeable need. Surplus property may be new or used but must have additional useful life.

3.5.2 Surplus Property will be offered for sale to the general public through the Surplus Property Office.

3.5.3 The sale of surplus property may be accomplished through an onsite public auction or through a web based approved auction site. The website link is:
<https://www.publicsurplus.com/sms/tamuk,tx/list/current?orgid=50721>

3.5.4 Revenues from the sale of surplus property shall be deposited in a special Surplus Property Account.

3.5.5 Departments that are declaring property surplus because the property has reached the end of useful life but for which the Department still has a need for replacement equipment, may request from the Chief Financial Officer that the sale price (less administrative overhead) be returned to the Department.

3.6 Salvage Property:

3.6.1 Salvage Property is property that is beyond its useful life and no longer has value for its original designedfunction.

3.6.2 Salvage property may:

- Have commercial value as scrap and may be sold through a public competitive process. If there is no a parent competition, but there is a nominal value that prevents placing property in the waste stream, the Central Receiving Surplus Section may elect to sale with one offer. Current auctions may be viewed at the online surplus system: Public Surplus at <https://www.publicsurplus.com/sms/tamuk,tx/list/current?orgid=50721>
- Have no monetary value but may be recyclable. The University is committed to sustainable recycling of property. Even if scrap has no commercial value, efforts will be made to recycle the property if there are viable programs available.
- Have no monetary or recycle value. This type is destined for the waste stream. The Central Receiving Surplus Section will determine if property should be sent to waste and will route the waste stream with consideration of its impact on the environment and following all health and safety regulations.

3.7 Federal Surplus Property:

3.7.1 The Federal Surplus Property Donation Program is operated under the supervision of the United States General Services Administration (GSA). All no consumable Federal surplus personal property and Federal excess personal property, other than scrap will be processed as any other Surplus property.

3.7.2 Non-consumable Federal surplus personal and Federal excess personal property will be added to the permanent inventory record of the University regardless of the acquisition cost of property. Inventory records pertaining to non-consumable personal property acquired must be maintained by the University in the same manner as other inventoried property belonging to the University. For more information see the Texas A&M University System Equipment Management Manual, System Regulation 21.01.09.

3.7.3 Disposal of property acquired through the Federal Surplus Property Donation Program will comply with the terms and conditions of the donation agreement under which the property was acquired.

3.8 Data Processing Equipment:

3.8.1 All surplus/salvage data processing equipment that is not transferred to a public school, school district or assistance organization specified by the school district, or disposed of under another law, must be offered to Texas Correctional Industries (TCI) Texas Department of Criminal Justice without reimbursement.

3.8.2 TCI has the right to refuse this equipment. Data processing equipment is defined in Government Code, Section 2054.003(3) (A) as follows:

- Central processing units, front-end processing units, mini-processors, microprocessors, and related peripheral equipment such as data storage devices, document scanners, data entry equipment, terminal controllers, data terminal equipment, computer-based word processing systems other than memory typewriters, and equipment and systems for computer networks The ITS Department has responsibility to ensure that all hardware containing files and data are removed and/or rendered inaccessible.

- Methods of disposing of Data Processing Equipment will include: Transfer to a public school, school district or assistance organization specified by the school district. Transfer to Texas Correctional Industries (TCI) Texas Department of Criminal Justice without reimbursement. TCI has the right to refuse the equipment. Refer to Forms: MAL-113 and MAL-114 Transfer to Global Assets for information technology asset disposition and value recovery. The services include recycling and/or remarketing. Refer to Forms: Logistics Worksheet.

3.9 Disposition of Surplus/Salvage/Scrap Material:

3.9.1 All university property that is surplus to a department's needs must be sent to the Surplus Property Area; If a department has items that have become obsolete to a department's needs, the department must fill out the Equipment Deletion Form. Completed forms may be emailed to centralreceiving@tamuk.edu or sent by campus mail.

3.9.2 Examples of surplus property: re desks, chairs, printers, computers, file cabinets, keyboards, monitors, whiteboards, or any equipment or furniture etc.

3.9.3 Surplus Property Pickup Upon receipt of the Equipment Deletion Form, a computer-generated pick-up item will be generated on the SC Logic Program. The current turnaround time from the receipt of the request through scheduling and pick-up is currently under seven business days by either Central Receiving or the SSC Service Crew.

3.9.4 This is a free service provided by Central Receiving and the SSC Service Crew if the appropriate equipment is available.

3.10 Surplus Property available for Redistribution:

3.10.1 Departments may contact Central Receiving to be placed on a list for any items necessary at the departmental level.

3.10.2 Procurement and Travel Services has a recycling program set up with Summus/Staples. Replace each used ink/toner cartridge in an original or any box and Summus/Staples will pick up the item. The item does not need to be purchased by Summus/Staples to be considered by the program. Other availability is to return the item by mail as indicated on the original box.

3.11 Computer or any Technology Type Item:

3.11.1 It is highly recommended that all data is preserved before computers are sent to the Surplus Property Department.

3.11.2 All computer or technology type item that arrives in Central Receiving will have the hard drives removed. ITS will re-image and have the hard drives mechanically destructed before any transfers are processed.

3.11.3 Ensure in preparation, that all computer peripherals, keyboards, mice, cables and wires are placed in a box or container prior to pick up.

3.12 Vehicle Turn in Preparation:

3.12.1 If a department has a vehicle that has become obsolete, contact the Property Manager to ensure a title is available before completing the Equipment Deletion Form.

3.13 Refrigerators and Freezers:

3.13.1 Refrigerators and freezers may be listed on the Equipment Deletion Form, however if the items have been used in a laboratory setting, the items must be cleared for removal by Risk Management.

3.13.2 Attach the clearance supporting document/email along with the Equipment Deletion Form.

3.14 Laboratory Equipment and/or Hazardous Materials:

3.14.1 Any laboratory equipment and/or hazardous materials may be listed on the Equipment Deletion Form, however if the items have been used in a laboratory setting, the items must be cleared for removal by Risk Management.

3.14.2 Attach the clearance supporting document/email along with the Equipment Deletion Form.

3.15 Artwork, Artifacts and Rare Books:

3.15.1 Artwork, Artifacts and Rare Books must be cleared by the South Texas Archives.

3.15.2 Attach the clearance supporting document/email along with the Equipment Deletion Form.

3.16 Items Requiring Export Control Review:

3.16.1 Any items requiring export control review must be cleared by the Office of Compliance.

3.16.2 Attach the clearance supporting document/email along with the Equipment Deletion Form.

3.16.3 The following statement will be noted on the online surplus website for that particular item: *“The awarding of the bid will be contingent upon export control screenings and compliance. TAMUK will not be responsible for securing any licenses for any foreign national and/or entity requesting to purchase this equipment.”*

3.16.4 Once a winning bid is selected, A Letter of Assurance End User/Use Statement must be signed by the winning bid awardee. In addition, the individual and/or company must be screened and cleared through Visual Compliance by a Procurement and Travel Services delegate. Refer to Form: Letter of Assurance End User/Use Statement.

3.16.5 Both the Letter of Assurance End User/Use Statement and the Visual Compliance document must be forwarded to the Office of Compliance.

1. Purpose

To establish the procedure for liquidating erroneous encumbrances before the close of the fiscal year.

2. Scope

This procedure applies to all items listed on the FBMR009 report.

3. Responsibility

3.1 The Executive Director of Procurement and Travel Services is responsible for implementation of this procedure. Responsibility for acting crosses all departments. Procurement and Travel Services and the Office of the Assistant Vice President for Finance and Administration have the authority and responsibility to liquidate erroneous orders as identified by their respective offices.

4. Procedure

4.1 The process for reviewing outstanding encumbrances and acting on erroneous orders is accomplished in several steps. The process is described in chronological order:

- 4.1.1 May: The Office of DT & PMS shall download the FBMR009. The spreadsheet will be sorted and will be forwarded to Accounts Payable & Property Management and Procurement and Travel Services to act on specific items.
 - 4.1.2 Procurement and Travel Services will be responsible for all purchase orders that have routed through Procurement and Travel Services for review and approval with a “Buyer” assigned to the document and reconcile accordingly.
 - 4.1.3 Sort Documents by Order Number: Work on oldest Requisitions and P.O.s first. Consideration should be given to the following:
 - Service Orders Cross Fiscal Years: Many orders have a payment in September or October and no further payments until the next fiscal year.
 - Copier Agreements: Many copier P.O.s are for multiple years. Some copier agreements expire mid-year but are held open for final billings. All copier orders with no activity for more than 2 months should be considered for completion.
 - Master Orders: The University should attempt to create non-encumbering Master Orders. At this writing, there are several old master orders that are encumbered for small amounts to hold the order open. These orders should be examined carefully before completing.
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PP-320 Use of University Name

(Previously P-320)

Approved January 26, 2018

Revised

Next Schedule Review: January 26, 2023

1. Purpose

The purpose of this policy is to ensure the proper use and design of the University name and to ensure that all copyrights that may apply are properly and adequately protected.

2. Scope

This policy applies to all employees.

3. Procedure

3.1 The designing or ordering of material that includes the use of the University Name/Symbol/Art Work/Graphics/Trademark must be approved by the Marketing and Communication Office, <https://www.tamuk.edu/marcomm/>.

1. Purpose

It is the purpose of this policy to state the basic policy concerning supplier obligation to the university.

2. Scope

This policy applies to all supplier obligations to purchase transactions conducted in behalf of the university.

3. Procedure

3.1 Suppliers are expected to fulfill these basic responsibilities:

3.1.1 To handle all written and personal communications with the university through Procurement and Travel Services, for technical reasons, to do otherwise; in which case Procurement and Travel Services is to receive copies of all correspondence and be kept informed of any oral communications.

3.1.2 To negotiate purchasing contracts and all sales with Procurement and Travel Services only.

3.1.3 To conduct negotiations ethically, without attempts to influence through offering valuable personal gifts or entertainment.

3.1.4 To make available through Procurement and Travel Services or other designated university representatives, all available technical, engineering, systems, procedures, service and ideas that might improve the university's present or future use of suppliers' products and services.

3.1.5 To advise Procurement and Travel Services or other authorized personnel of any new products as soon as such information is available.

3.1.6 To suggest ways and means of conducting joint efforts in research and development that might be of benefit to both parties.

3.1.7 To inform Procurement and Travel Services of changes in economic or other conditions that might affect purchasing or operating decisions.

3.1.8 To inquire through the Executive Director of Procurement and Travel Services for further information concerning selling products to the university.

PP-415 Purchases of Precursor Chemicals and Controlled Laboratory Apparatus

Approved September 10, 2006

Revised September 8, 2017

Next Schedule Revise: September 8, 2022

1. Purpose

The purpose of this procedure is to define the parameters of procuring certain Precursor Chemicals and Laboratory Apparatus subject to the Federal Regulation under 21 CFR Part 1301.

2. Scope

This policy applies to all supplier obligations to purchase transactions conducted in behalf of the university.

3. Procedure

3.1 This procedure is developed to ensure compliance with the Memorandum of Understanding (MOU) between the Texas Department of Public Safety (DPS) and The Texas Higher Education Coordinating Board (THECB) dated June 13, 2006.

3.2 This Memorandum Of Understanding was created in order to establish the responsibilities of the DPS, the THECB, and the public or private institutions of higher education for implementing and maintaining a program for reporting information concerning controlled substances, controlled substance analogues, chemical precursors, and chemical laboratory apparatus used in education or research activities of institutions of higher education.

3.3 Definitions:

3.3.1 The following terms are used in the MOU and are included here for enhancing clear communications on the subject.

- Agent: Any peace officer or other person who is authorized by law to enforce or administer state or federal drug laws.
- Central Location: Location within an institution of higher education where records are maintained.

3.3.2 (21 CFR, Part 1301 - 21 Code of Federal Regulations, Part 1301 to End, as mended), providing for the Registration of Manufacturers, Distributors, and Dispensers of Controlled Substances and any amendments to these regulations hereafter adopted.

- Client: any person or entity to which DPS has issued a permit authorizing the purchase, sale, transfer or furnishing of a controlled item.
- Controlled Glassware: condensers; distilling apparatus; vacuum dryers; single, two-and three- necked flasks; distilling flasks; Florence flasks; filter funnels; Buchner funnels; separatory funnels; Erlenmeyer flasks; round-bottom flasks; thermometer flasks; filtering flasks; Soxhlet extractors; and adapter tubes made of glass.
- Controlled Item: precursor chemicals and laboratory apparatus listed in Texas Health and Safety Code Section 481.002 (51) and 481.002 (53) and as named by rule by the Director of the Department of Public Safety pursuant to the Texas Health and Safety Code Section 481.077(b) and 481.080(c).
- Controlled Substance: A substance, including a drug, an adulterant and a dilutant as defined by the Health and Safety Code, Chapter 481, the Texas Controlled Substances Act.
- Controlled Substance Analogue: (1) a substance with a chemical structure substantially similar to the chemical structure of a controlled substance in Schedule I or II or Penalty Group 1, 1-A, or 2 of the Texas Health and Safety Code, Chapter 481, Texas Controlled Substances Act; and (2) a substance specifically designed to produce an effect substantially similar to, or greater than, the effect of a controlled substance in Schedule I or II or Penalty Group 1, 1-

A, or 2 of the Texas Health and Safety Code, Chapter 481, Texas Controlled Substances Act.

- **DPS:** Department of Public Safety Narcotics Service Regulatory Program that is charged with the regulation of controlled substances and items listed in this MOU.
- **Institution of Higher Education or Institution:** this term includes an institution of higher education, as defined in Texas Education Code, Section 61.003(8), a private or independent institution of higher education, as defined in Texas Education Code, Section 61.003(15), and a private postsecondary educational institution, as defined in Texas Education Code, Section 61.302(2).
- **MOU:** Memorandum Of Understanding as required by the Texas Health and Safety Code, Section 481.0621(b).
- **RSD-65:** Form prepared and issued by DPS Narcotics Service to clients to report sale, transfer, or furnishing of a controlled substance or item.
- **THECB:** Texas Higher Education Coordinating Board.
- **Unacceptable Discrepancy:** Any difference in the amount on hand and the amount documented that cannot reasonably be explained by accidental or normal loss.

3.4 Precursor Controlled Chemicals:

3.4.1 The following precursor-controlled chemicals are subject to this procedure. Any employees requiring these chemicals must follow this procedure for ordering and inventorying these chemicals.

3.4.2 The table below lists the controlled items as of September 1, 2005.
(National Institute of Governmental Purchasing Commodity: Class Code: 175)

1. Anthranilic acid	2. Barbituric acid	3. Diethyl malonate	4. D-lysergic acid
5. Ephedrine	6. Ergotamine tartrate	7. Ethyl malonate	8. Ethylamine
9. Hypophosphorus acid	10. Malonic acid	11. Methylamine	12. N-acetylanthranilic acid
13. Norpseudoephedrine	14. Phenylacetic acid	15. Phenylpropanolamine	16. Piperidine
17. Pseudoephedrine	18. Pyrrolidine	19. Red phosphorus	

3.4.2 Purchasing Procedure for Precursor Controlled Chemicals:

- All chemicals listed above must be ordered through a Purchase Order issued by the Office of Procurement and Travel Services. Department staff shall create a Non-Catalog Item Requisition.

3.4.3 Departments are expressly prohibited from ordering any of the precursor-controlled chemicals listed above with the Procurement Card.

3.4.4 Inventory Procedure for Precursor Chemicals:

- A Perpetual Inventory for the listed chemicals must be maintained within the department. The Office of Enterprise Risk Management will conduct an annual survey of chemicals on hand. Assistance with establishing a Perpetual Inventory program can be obtained from the Office of Enterprise Risk Management.

3.5 Laboratory Apparatus:

3.5.1 The following laboratory apparatuses are subject to this procedure. Any employee requiring these apparatuses must follow this procedure for ordering and inventorying these apparatuses.

3.5.2 The table below lists the controlled items as of September 1, 2005.
(National Institute of Governmental Purchasing Commodity: Class Code: 175)

1. Adapter Tubes	2. Condensers	3. Distilling Apparatus	4. Distilling Flasks
5. Encapsulating Machines (Inventory Required)	6. Erlenmeyer Flasks Two-necked Flasks Single-neck Flasks Three-necked Flasks Round-bottom Flasks Florence Flasks Thermometer Flasks Filtering flasks	7. Filter Funnels Buchner Funnels Separatory Funnels	8. Flask Heaters
9. Heating Mantles	10. Tableting Machines (Inventory Required)	11. Transformers	12. Soxhlet Extractors
13. Vacuum Dryers			

3.5.3 Purchasing Procedure for Laboratory Apparatuses:

- All apparatuses listed above must be ordered through a Purchase Order issued by the Office of Procurement and Travel Services. Department staff shall create a Non-Catalog Item Requisition.

3.5.4 Departments are expressly prohibited from ordering any of the controlled laboratory apparatus listed above with the Procurement Card.

3.5.5 Inventory Procedure for Laboratory Apparatus: All purchases for these items must be reported to the Property Manager to be entered into the Fixed Assets Module of FAMIS, beginning of Screen 360.

3.6 University employees are expressly prohibited from removing any Laboratory Glassware or listed items from the campus. All Laboratory Glassware must be destroyed (broken) before disposal.

3.7 Glassware may not be surplused, salvaged, resold, or reused in any way. Inventory all chemicals that will be properly disposed of, which also includes all glassware.

3.8 All persons engaged in Laboratory work shall make every effort to comply with the following requirement of the MOU between the Texas Department of Public Safety and The Texas Higher Education Coordinating Board dated June 13, 2006.

3.9 An institution or site that discovers a readily unacceptable discrepancy, loss, pilferage or theft of a controlled substance, controlled substance analogue, precursor chemical or laboratory apparatus (including controlled glassware) shall submit a written report of the incident to the appropriate law enforcement agency no later than 5 business days after the date of discovery of the discrepancy, loss, pilferage or theft. The institution shall forward the report to DPS within five additional business days after the report is submitted to the appropriate law enforcement agency.

3.10 Any discovery or suspicion of missing Laboratory Apparatus must be reported to the University Police at 361-593-2611 and the Office of Enterprise Risk Management.

3.11 Non-Compliance: Employees failing to comply with this procedure are subject to a variety of actions dependent on the infraction. These actions could possibly include actions described in Texas A&M System Policy 32.02 as well as Criminal and Civil actions.

1. Purpose

To define the parameters for food purchases.

2. Scope

This procedure applies University wide.

3. Procedure

3.1 The use of state funds for the purchase of food is very limited. State funds cannot be used for the purchase of coffee, bottled water or other food items for consumption by employees or departmental visitors. State funds can, however, be used to pay for food purchases related to research, teaching, wards of the state, or organized activities.

3.2 Expenditures for food and/or refreshments from local funds are authorized to the extent such expenditures enable the state agency to carry out an educational function, promote education in the State of Texas, or perform public service.

3.3 Expenditures for food and/or refreshments must comply with one or more of the following purposes:

3.3.1 The recognition or promotion of academic achievement, athletic achievement, scholarship and/or service to a Member of the A&M System or the State.

3.3.2 The promotion of the communication of intellectual ideas among students, faculty, staff, administrators and/or representatives of the public.

3.3.3 The support of student events and activities that are sponsored by a Member of the A&M System.

3.3.4 The recruitment of students, faculty, and staff.

3.3.5 The promotion of the exchange of ideas with community leaders regarding the role of a Member of the A&M System in the community;

3.3.6 The assistance of the Regents, accrediting agencies, officials from other universities and/or public officials in inspecting and reviewing the facilities and programs of a Member of the A&M System; or- the support of a program of continuing education sponsored by a Member of the A&M System.

3.4 The following categories of funds may be used to purchase food and/or refreshments for the purposes listed above:

3.4.1 Balances in accounts funded from student service fees, bookstore allocations, and concession may be used to purchase food and/or refreshments to the extent to which such funds have been budgeted.

3.4.2 Donated unrestricted funds and funds received as registration fees for continuing education conferences and short courses may be used to purchase food and/or refreshments where provisions have been included in the registration fee.

3.4.3 Other locally generated income not restricted to administrative, education and general, research, plant expansion, loan, endowment, and/or scholarship programs may be used to purchase food and/or refreshments.

3.5 Food purchases for business, conferences, or seminars should be coded as food purchases, expenditure object code 6240.

3.6 Food purchases for research or teaching (this includes childcare facilities) should be coded as food purchases, expenditure object code 4050.

3.7 The P-Card Food Purchase Information Form must be included with any Food Purchase p-card transaction.

(See [TAMU System Policy 34.03](#) for purchase of alcohol)

1. Purpose

To define the parameters for purchases of used or demo equipment and trade-ins

2. Scope

This procedure applies University wide.

3. Procedure

3.1 Used or Demo Equipment: Should it become necessary for a State Agency to secure used or demonstrator equipment or supplies due to inability to secure new equipment, or because of lack of adequate funds, Procurement and Travel Services will give such requisitions consideration only if supported by the following documents and data:

- Properly prepared requisition fully describing equipment.
- Signed bid or bids secured by agency, (min. 3) or reason why 3 bids could not be obtained.
- If only one bid is available, statement as to why there is no competition.
- Letter or signed statement from bidder or bidders guaranteeing quality and condition of merchandise offered. A Certification Letter is preferred.
- Letter from authorized person connected with the University giving acceptable reasons why it is necessary to purchase used merchandize and the approximate cost of same if purchased new.

3.2 Procurement and Travel Services defers from procuring used or demo equipment only under the special circumstances listed above and will have the ultimate decision on each request.

3.3 Trade-Ins: A department may offer surplus or salvage property as a trade-in on new property of the same general type when such exchange is in the best interests of the state.

3.4 Equipment may be purchased with a trade-in of equipment of a similar type of equipment if the following requirements are satisfied:

- Describe the age, condition, make, model, and serial number (if applicable) of the equipment.
- Give a realistic estimate of the used equipment's value.
- Show each trade-in allowance as an individual item on your requisition.

3.5 If not used as a trade-in, the equipment must be disposed of as surplus or salvage property. Since the department may profit more from the sale of old equipment as surplus property than as a trade-in, the estimate of the equipment's value is extremely important.

3.6 Regardless of dollar amount, request for trade-in must be submitted to the Procurement and Travel Services Department.

PP-450 Lease of Space and Real Property Transactions

Approved June 5, 1996

Revised January 20, 2018

Next Schedule Review: January 20, 2023

1. Purpose

To define the parameters of leasing space and any property transactions

2. Scope

This procedure applies University wide.

3. Procedure

3.1 Lease of Space and any Property Transactions:

3.1.1 All lease of space and real property transactions must be submitted to the Department of Procurement Services. Depending on the type of Lease or Property Transaction, Procurement and Travel Services will work with the System Real Estate Office to determine the appropriate action. See [TAMU System Policy 41.01](#) and [TAMU System Policy 41.01.01](#).

PP-460 Purchase of Furniture

Approved June 5, 1996

Revised January 20, 2018

Next Schedule Review: January 20, 2023

1. Purpose

To define the parameters for purchasing furniture.

2. Scope

This procedure will apply University wide.

3. Procedure

3.1 The University will make every attempt to procure quality professional furniture for use in all academic and administrative offices. It is the responsibility of the Procurement and Travel Services department to ensure that only institutional grade furnishing be purchased for the University.

3.2 For purchases of all furniture will utilize the state term contracts, Texas Correctional Industries, Work Quest formally known as Texas Industries for the Blind and Handicapped (TIBH) and Cooperatives.

https://www.tamuk.edu/finance/procurement/purchasing/state_contracts_cooperative_purchasing.html

3.3 Departments are encouraged to meet with Procurement and Travel Services to review the current contracts available for procurement.

1. Purpose

To define the parameters for purchasing flowers, floral arrangements and plants.

2. Scope

This procedure will apply University wide.

3. Procedure

3.1 Flowers, floral arrangements and plants cannot be purchased with state funds unless they are used directly in teaching or research.

3.2 Purchases from state funds are limited to vegetation, dirt, potting soil, fertilizer, seeds, and plants needed for erosion prevention, research, teaching, or agriculture.

3.3. Accounts funded by mandatory student fees, IDC (not for research), contracts or grants may not be used to purchase flowers, floral arrangements, or plants.

3.4 All local accounts (200000-215999 or 320000-399999) plus non-grant restricted accounts (4xxxxx, 5xxxxx or 6xxxxx) may be utilized to purchase flowers, floral arrangements and plants deemed appropriate for the following:

3.4.1 An employee for illness or special honor.

3.4.2 The family of an employee who has passed away, an employee who had an immediate family loss, or an immediate family member as noted in [TAMUK Policy 31.03.03.K0.01 "Leaves of Absence with Pay"](#).

3.4.3 The family of a student who passed away.

PP-500 Services

Approved June 6, 1996

Revised January 26, 2018

Next Schedule Review: January 26, 2023

1. Purpose

To define the parameters of purchasing services.

2. Scope

This procedure will apply University wide.

3. Procedure

3.1 Services is defined as the furnishing of skilled or unskilled labor or professional work but does not include professional services.

3.2 Rentals are not considered service unless operator is furnished with equipment. Rentals without an operator are handled as any other purchase of equipment.

3.3 Submit requisition fully describing the service(s) needed. Bids will be obtained as required.

4. Funding:

4.1 Local Funds: For any purchase of services, which exceed \$10,000.00 per year competitive bidding is required or justification, explaining why the service is needed and why it cannot be obtained competitively from more than one source. A bid must be obtained from the sole source if the cost exceeds \$10,000.00 per year.

4.2 Federal Funds: The purchase of service with Federal Funds will follow the procedures as for Local Funds. If necessary, agency approval is required by O.M.B. Circular A110, under which TAMUK Federal purchases are regulated and must be obtained by the End-user.

1. Procedure

To define the parameters and procedures for use of Private Consultants.

2. Scope

This procedure applies University wide.

3. Procedure

3.1 The procurement procedure for private consulting services are codified in Government Code, Chapter 2254, Subchapter B, defines “consulting service” as the service of studying or advising a state agency under a contract that does not involve the traditional relationship of employer and employee. The procedure applies to State-Appropriated, Federal and Non-Appropriated funds, including Local funds.

3.2 Private/outside consultants may be used if there is a substantial need and such services cannot be adequately performed by A&M System personnel or through contract with another state agency. Such contracts may be entered into by following normal contracting procedures. (Note: all agreements with Private Consultants must be documented by a formal contract.) See APRM C20 for exemptions, requirements, and procedures related to the contracting process.

3.3 State agencies are exempt from paying Social Security, deducting income tax, reporting earning to the Texas Employment Commission, and providing employee benefits to bona fide independent contractors or outside consultants. However, if an individual is incorrectly classified as an independent contractor, the state agency may be in violation of one or more federal and state laws including the Federal Unemployment Tax Act, the Texas Unemployment Compensation Act, and the Texas Workers’ Compensation Insurance Law.

3.4 Penalties for violating these laws can include payment of back wages plus liquidated damages, court costs and attorney’s fees, declaratory injunctive relief as defined by a court, and other monetary penalties. The U.S. Department of Labor has stressed the following six (6) factors as the criteria to be used in determining whether an individual is an employee or independent contractor: (See Procedure PP-590 for more clarification).

1. The extent to which the services provided are an integral part of the contractor’s business;
2. The permanency of the employment relationship;
3. The amount of the contractor’s investment in facilities and equipment;
4. The nature and degree of control and supervision by the employer;
5. The contractor’s opportunities for profit and loss; and
6. The amount of initiative, judgement, or foresight in open market competition with others required for the success of the claimed independent enterprise.

3.5 If an individual is employed to perform unskilled labor, paid an hourly rate, and is closely supervised, he/she probably would not meet the test of an independent contractor and, therefore, should be treated as an employee.

3.6 Funds may not be used, regardless of source, to enter into a consultant contract with any individual who is currently employed by an A&M System Member or who has been employed by an A&M System Member within the past 12 months.

3.7 In the event payment is requested to an outside attorney, the invoice must be forwarded to the Office of System General Counsel, accompanied by the current Outside Counsel agreement previously approved by the Attorney General's office. Please contact System General Counsel for additional information.

3.8 Consulting Service Contracts less than \$25,000.00 must be contracted through Procurement and Travel Services.

3.8.1 A consultant is one who conducts a study, performs an analysis, and submits a report with recommendations for problem resolution. A contract for Consultant Services must address the following five (5) requirements below:

1. The parties to the contract.
2. A full description of the matter to be studied (Statement of Work).
3. A full description of the submittals to be provided by consultant.
4. The timetable for completion of the project.
5. The amount and schedule of payments to the consultant.

3.8.2 Upon establishing a contract with a Consultant, a Purchase Order will be issued to encumber the funds and establish the transaction records.

3.9 Consulting Service Contracts greater than \$50,000 require the agency to notify by reporting the Legislative Budget Board.

3.9.1 The following five (5) oversight requirements must be followed when the entire cost of a consulting services contract exceeds \$50,000 and a formal bidding through either a Request for Qualifications (RFQ) or Request for Proposal (RFP) and at a minimum a:

1. Notification
2. 30-Day RFP Publication
3. Finding a Fact
4. 10-Day Selection Publication
5. Final Reporting

3.10 Procurement and Travel Services will assist departments in complying with the oversight requirements detailed below.

3.10.1 Notification Requirements: Government code, Chapter 2254m Subchapter B states that agencies may use private consultants only if:

- There is a substantial need for the services; and
- The agency cannot adequately perform the services with its own personnel or through an interagency contract.

3.10.2 The notification requirements are intended to demonstrate compliance with these conditions and other policies of this section.

4. Definitions

4.1 The definitions provided below are those found in statutes, which determine the review requirements for consultant contracts.

4.1.1 Consulting Service means the practice of studying and advising a state agency in a manner not involving the traditional employer/employee relationship (Government Code, Section 2254.021).

4.1.2 Professional Services are those services directly related to the professional practices as defined by the Professional Services Procurement Act (Government Code, Section 2254.002) and do not apply to consulting services.

4.1.3 These include services within the scope of practices of:

- Accounting
- Architecture
- Optometry
- Medicine
- Land Surveying
- Professional Engineering

4.1.4 Services provided by professionals outside the scope of their profession, e.g. management consulting services provided by accounting firms, are not considered professional services for the purposes of this document.

4.1.5 Mixed Services are when a contract involves both consulting services and one or more type of other services, an agency must comply with the consultant services requirements when the primary objective of the contract is the purchase of consulting services.

- For instance, if a contractor will be required to analyze and prepare a study of an agency's information systems needs as well as develop and implement a data system, the primary objective of the contract is not the analysis or advice provided, but is the delivery of a data information system. Therefore, the contract is not subject to consultant contract requirements, and the agency must comply with the bid purchasing procedures.
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1. Purpose

To define the procedure for acquiring Guest Speakers, Guest Panelists, and Lecturers in Higher Education.

2. Scope

This procedure applies University wide.

3. Procedure

3.1 Prepare a TAMUK General Contract to include:

3.1.1 Description detail of the work to be performed

3.1.2 Dates of service

3.1.3 Details of the payment agreement

3.1.4 It is strongly suggested that all contracts be for a lump sum that includes all costs for travel, meals, and lodging.

3.1.5 If the contract is correct then obtain the signature of the vendor.

3.2. Create a Non-Catalog Item Requisition in JavelinaBuy that fully describes the services needed and suggest sources to Procurement and Travel Services. The requisition is to route to Procurement and Travel Services for review, ensure you check off “Route to Procurement and Travel Services” if the total cost is less than \$10,000.00 when creating your requisition. Once reviewed and approved by the Procurement and Travel Services Department the Requisition will be transferred to a Purchase Order.

3.2.1 All services that require the vendor to come onto TAMUK Property either a Certificate of Insurance (COI) that meets TAMUK’s insurance requirements or a Hold Harmless Agreement is to be provided. Either documentation requires review and approval by the Office of Risk Management.

3.3 When the contract is completed and the vendor has provided their services in accordance with the fully executed contract, the requesting department is required to do “Receiving” against the Purchase Order and an invoice (preferred) or a certification of service from the contractor is required and needs to be emailed to invoices@tamuk.edu, referencing the Purchase Order number; in order for Accounts Payable Department to enter the invoice against the Purchase Order and establish the payment due date.

3.4 No competitive bids or justification are needed if the total cost in one (1) fiscal year is \$10,000.00 or less.

Note: A reoccurring service could total over \$10,000.01 per fiscal year and may require an informal or formal bid; unless it meets the criteria for a Sole Proprietorship.

3.5 Speaker fees may be paid, but it is not considered or called an honorarium.

3.5.1 If the speaker is a TAMUS current employee, the payment must be processed through Payroll and includes any TAMUS employee whom has been employed by TAMUS within the last twelve (12) months must also be processed through Payroll.

3.5.2 Speakers who are State of Texas employees must sign a Conflict of Interest Statement. Per the Texas Ethics Commission publication.

3.6 A Guide to Ethics Laws for State Officers and Employees:

- You may not solicit, agree to accept, or accept a speaker fee in consideration for services you would not have been asked to provide but for your official position.
- It is permissible to accept food, transportation and lodging in connection with a speech or other service performed in an official capacity.
- If the Texas employee is on business time, then TAMUK is not allowed to pay a fee and all travel expenses must be submitted through the Travel Department (Concur).
- If the Texas employee is on personal time, then a fee is allowed.

3.7 If Sole Proprietorship, Sole Source Form is required with your support documentation when submitting the Non-Catalog Item Requisition.

3.7.1 For the purchase of services from a sole source provider the department shall book guest speaker/guest panelist at agreed upon speaker fee (this fee is to describe as a lump sum fee which includes travel allowance and expenses; no receipts for expenses are required).

3.7.2 Attach a sole source justification and any documentation that indicates the agreed upon cost of the services, person contacted and all terms and conditions. Procurement and Travel Services will check for compliance and will issue the purchase order.

3.8 For the purchase of services that may be provided by more than one source (Competitive bid) the department will create a Non-Catalog Requisition that is to route into Procurement and Travel Services describing services to be provided, date of services, and travel allowance and expenses. All travel costs to be considered as part of the service. Include list of suggested sources. Procurement and Travel Services will obtain bids and issue purchase order.

1. Purpose

To define employee relationships.

2. Scope

This definition applies University wide.

3. Procedure

3.1 The Internal Revenue code provides that employment taxes are imposed on wages received by employees. The Code defines the term “employee” for FICA purposes as any individual whose employment status meets the common law requirements for an employer-employee relationship. Generally, an employer-employee relationship exists if the person for whom the services are performed has the right to control and direct the individual who performs the services, not only as to the results of the work but also the details and means by which the results are accomplished. It is unnecessary for the employer to actually direct or control the manner which the services are performed; it is sufficient if the employer has the right to do so.

3.2 If an employer-employee relationship exists, the designation of the parties as anything other than that of employer and employee is immaterial. Thus, if that relationship exists, it is of no consequence that the employee is designated as a partner, co-venture, agent, or independent contractor.

3.3 Twenty factors have been identified by the courts in indicating whether sufficient control is present to establish an employer-employee relationship under the common-law rules. The importance of each factor varies depending on the occupation, the factual context in which the services are performed, and even the interpretation of the particular IRS examiner. As expected, the IRS leans toward classifying individuals as employees. Procurement and Travel Services will work directly with Human Resources if additional clarification on a final determination is needed.

3.4 Twenty (20) Common-Law Factors (as excerpted from “Current Employment Tax Issues in Higher education”)

3.4.1 A worker will generally be deemed an employee if the individual:

1. Must comply with an employer’s instruction about the work;
2. Receives training from or at the direction of the employer;
3. Provides services that are integrated into the business;
4. Provides services that must be rendered personally;
5. Hires, supervises, and pays assistants for the employer; (An independent contractor usually must have the right to choose whether and who to hire as assistants.)
6. Has a continuing relationship with the employer;
7. Must follow set hours of work;
8. Works full-time for an employer;
9. Does the work on the employer’s premises;

10. Must work in a sequence by the employer;
 11. Must submit regular reports to the employer; (If a contract between the employer and an independent contractor specifies that the job must be completed to the satisfaction of the customer, the employer may avoid the need for reports from the independent contractor. Reports are usually indications of employee status.)
 12. Receives payments of regular amounts at set intervals; (If the worker is an independent contractor, the contract should call for payment by the job. Payment by the hour, week, or month usually indicates an employer-employee relationship. Additionally, fringe benefits are generally paid by employers to employees.)
 13. Receives payments for business or traveling expense;
 14. Relies on the employer to furnish tools and materials;
 15. Lacks a major investment in facilities used to perform the service; (An independent contractor usually has a significant investment in his/her own business.)
 16. Cannot make a profit or suffer a loss from the services; (An indication of independent contractor status is being subject to real risk of economic loss. Thus, independent contractors usually have control over the economic results and contractually agree to bear the risk of loss.)
 17. Works for one employer at a time;
 18. Does not offer services to the general public; (Any requirement of exclusivity detracts from the argument that the worker is an independent contractor. Advertising by the independent contractor that he/she is available to the general public is an indication of the independent contractor status.)
 19. Can be fired by the employer; (The general common-law rule is that only employees may be terminated immediately; independent contractors cannot be fired as long as they live up to their contractual obligations.)
 20. May quit work at any time without incurring liability. (According to the IRS, only employees may terminate without incurring any liability; independent contractors are contractually bound to complete the specific job.)
-

1. Purpose

Provide a reference for items required to be submitted to the Texas A&M Board of Regents for items requiring action.

2. Scope

2.1 These references apply to Facilities Planning and Construction, Academic Campuses, Personnel Actions, Finance and Operations, Land and Minerals, Delegations and Appointments, Relationships with External Entities, Revisions to Board Policy and Miscellaneous. Subject to change.

3. Procedure

3.1 Below is a subject types reference list of items required to be submitted for Board action pursuant to state law or system policy. This listing is subject to periodic updates to reflect changes to existing system policies or the adoption of new system policies.

3.1.1 Facilities Planning and Construction:

- Approval of major construction projects for construction [51.04]
- Supplemental appropriations above ten percent of total project budget [51.04]
- Designation of physical property for preservation due to historical significance [51.07]

3.1.2 Academic Campuses:

- Approval of centers and institutes, including major changes thereto [11.02]
- Authorization to seek coordinating board approval for specific degrees [03.02]
- Authorization to seek coordinating board approval for tables of programs [03.02]
- Authorization to seek coordinating board approval for mission statements [03.02]
- Authorization to seek coordinating board approval for academic administrative changes [03.02]
- Proclamations concerning historical events
- Approval of campus admissions standards [11.04]
- Approval of core curriculum [11.06]
- Granting of honorary degrees [11.07]
- University new and revised procedures for faculty workload policy [12.03]
- Granting of faculty development leave [12.99.01]
- Post-season athletic competition procedures [12.03]

- Approval in advance to offer tenure as recruitment tool [OJ.03, 12.01]
- University procedures for awarding tenure [12.02]

3.1.3 Personnel Actions:

- Appointment of chancellor [O1.03]
- Appointment of deputy chancellors; vice chancellors, including the vice chancellor and dean, agriculture and life sciences and the vice chancellor and dean, engineering; general counsel; and chief auditor [O1.03]
- Appointment of university presidents [01.03]
- Appointment of agency directors [O1.03]
- Appointment of interim chancellor, interim deputy chancellor, interim vice chancellor, interim general counsel, interim chief auditor and interim CEO [O1.03]
- Appointment of executive director to the board [02.01]
- Granting of emeritus titles [31.08]
- Approval of individual academic tenure [O1.03, 12.01, 12.02]
- Commissioning of peace officers [34.06]
- Determination of eligibility of CEOs to serve in non-elective state offices [07.03]
- Approval for outside employment of the chancellor, including serving on the board of directors of a corporation [requires approval of Board chairman] [07.03]
- Approval of supplementary pay and perquisites for board-appointed positions [07.03]
- A finding of bona fide financial exigency (required for faculty and staff dismissals related thereto) [12.01]
- Granting of Regents Awards for Regents Professors and Regents Fellow Service Awards

3.1.4 Finance and Operations:

- Establishment of quasi-endowment funds [22.02]
- System rules for awarding scholarships [13.03]
- Approval of system employee participation in a business entity intellectual property agreement [17.01]
- Actions related to debt management program [23.02]
- Authorization for revolving fund bank accounts [21.01.03]
- Approval of tuition and fees (annually) [26.01]
- New tuition and fees [26.01]
- Changes to current tuition and fees [26.0 I]

- Confirmation of field trip fees [26.01]
- Approval of guidelines for annual operating budgets [27.03]
- Approval of annual operating budgets [27.03]
- Approval of service departments [21.01.05]
- Approval to exceed the full-time equivalent (FTE) cap [27.04]
- Naming of buildings and other entities [51.06]
- Appropriations from AUF, special mineral fund, etc., or unappropriated income [27.04] Confirmation of budget increase of \$750,000 or above [27.04]
- Approval of certain contracts of \$500,000 or more or more than 3 or 5 years [25.07]
- Approval of depository banks [22.02]

3.1.5 Land and Minerals:

- Purchase of real property over \$1,000,000 [41.0 I]
- Approval of sale of real property [41.01]
- Authority to initiate real property condemnation proceedings [41.0 I]
- Approval of leases of system property over 5 years [41.01]
- Approval of leases from third parties over 10 years or \$1,000,000 [41.01]
- Approval of certain mineral leases [41.0 I]
- Easements for road right-of-way [41.01]
- Easements on third party property with cost exceeding \$300,000 [41.01]
- Privatized housing leases, operating agreements, and related documents [41.01]

3.1.6 Delegations and Appointments:

- Authorization to administer government classified contracts [15.99.02]
- Appointment of chancellor search committee

3.1.7 Relationships with External Entities:

- Establishment of new divisions

3.1.8 Revisions to Board Policy:

- Any addition, deletion, or modification to published system policies [O1.01]
- Any change in board bylaws [Board Bylaws]

3.1.9 Miscellaneous:

- Resolutions of appreciation for present and past Board members, administrators, faculty, staff, and internal or external organizations
 - Approval of official seals for member universities {09.02}
 - Smoking rule requirement for each campus/facility [34.05]
 - Holiday schedule [31.04]
 - Approval of settlements over \$300,000 [09.04]
 - Approval of System Strategic Plan [03.01]
 - Approval of annual Audit Plan [10.01]
 - Adoption of rules, new and amended, governing student travel [13.04]
 - Approval of privatization of educational business activities [28.02]
-

PP-650 Processing Construction Payment Requests and Complying with Prompt Payment Act

Approved: 05/08/20217

Revised: 11/16/2020

Next Schedule Review: 11/16/2025

1. Purpose

This Rule details the procedure required for processing construction payment requests. The purpose of this SAP is to address issues and solutions related to processing of progress payment requests. Most progress payment requests are associated with construction projects. Therefore, construction projects processes are used as examples. However, the logic should be applied to any acquisition for which progress payments are allowed.

2. Scope

This Rule applies to all purchases made by the University.

3. Definitions

3.1 A/E: Architect or Engineer or other professional service that has a responsibility to review and approve payment requests on behalf of the University

3.2 AP: TAMUK Accounts Payable

3.3 Contractor: Company or Person who has contracted with the University to provide services for which regular progress payments are authorized

3.4 Project Manager: University representative that has overall responsibility for delivery of the project

3.5 PTS: TAMUK Procurement and Travel Services

4. Texas Prompt Payment Act

4.1 State Statute requires that all vendors be paid timely. Specifically, Texas Government Code 2251 Subchapter B Section 021 states:

4.1.1 "...payment by a governmental entity under a contract executed on or after September 1, 1987, is overdue on the 31st day after the later of:

- the date the governmental entity receives the goods under the contract;
 - the date the performance of the service under the contract is completed; or
 - the date the governmental entity receives an invoice for the goods or service.
-

5. Applied Rules

5.1 In lay terms, the following rules apply:

5.1.1 The invoice is correct only if it corresponds in particular to the goods and service being claimed as delivered.

5.1.2 The goods and services delivered meet the specifications, the terms and conditions of the agreement, and at the agreed upon prices.

5.1.3 A payment must be postmarked or otherwise delivered or deposited to the Vendor by the end of the 30th day following the latter of the delivery of the goods and services or the receipt of the valid and correct invoice.

5.1.4 The 30-day clock starts on the latter of the delivery of goods and service or the receipt of the invoice.

5.1.5 Receipt of Invoice occurs when any party within the approval/payment process receives the invoice. Offices included in the process are A/E, AP, PM, or PTS. Each receiving office must date stamp the invoice on the day received; any invoices received after 5 PM will be the next business day.

5.1.6 Delivery of goods occurs when the access to and the control of the goods pass to the University.

5.1.7 Only one progress payment request will be accepted for process each month. Whenever more than one invoice is submitted in one month, the second invoice will be considered invalid and will be returned to the vendor for correction.

5.1.8 An invoice will be considered invalid if it has errors. Errors may include incorrect prices, incorrect quantity or items not provided for in the agreement.

5.1.9 If an invoice is disputed for any reason, the disputing office must notify the contractor and the PM within three (3) days of receipt of the invoice by that office.

5.1.10 In the event that an invoice is not correct when received by the University, it will be returned to the Vendor for correction and invoice clock will restart when the corrected and valid invoice is received.

6. Processing Payment Requests

6.1 All requests for payment must include the Certificate of Payment for Construction.

6.2 Contract No. is the Purchase Order or Contract number generated by PTS.

6.3 Certificate Number is either the sequential number of that payment in the project or the Vendor provided invoice number if relevant.

6.4 Payment Amount is the amount that is to be paid to the vendor in the form of a check, voucher, warrant, or direct deposit.

6.5 Invoice Date is the date that the vendor has entered on the invoice.

6.6 Invoice Receipt Date is the date that the invoice was received by TAMUK or by a contracted A/E. Delivery may be by mail or email. If by email, the vendor must be prepared to show evidence that the recipient actually received the email. Emailed payment requests should be sent to the PM email, A/E email, and PTS central email accounts.

6.7 Date Goods/Services are received is the date that TAMUK took possession or had control over the goods and services.

6.8 Validated Invoice Date is the latter of the Invoice Receipt Date or the Date Goods/Services Received.

6.9 Requests for Payment must be submitted to the next higher office within the time indicated below:

6.9.1 A/E: 7 calendar days of receipt of invoice

6.9.2 PM: 7 calendar day of receipt of invoice from A/E

6.9.3 PTS: 7 calendar days of receipt from PM

6.9.4 AP: 7 calendar days of receipt from PTS

6.10 The contractor and the PM must be notified in writing of a dispute within 3 days of receipt of the invoice.

6.11 Failure to comply with the schedule above will result in negative rating for the PM or A/E if the failure is due to them. The PM bears ultimate responsibility for getting the invoice to PTS within 14 days.

7. “Exhibit A” Descriptions

7.1 (a) The Original Contract Price is the amount that was originally awarded with the P.O. number.

7.2 (b) Current Contract Amount is the current value of the contract including all change order additions and deletions.

7.3 (c) Total Amount of Goods & Services Delivered and Invoiced to Date is the sum of all approved requests for payments; prior to this request.

7.4 (d) Amount Retained is the sum of all invoices (prior to this invoice) multiplied by 5%. This amount is the amount that will be retained until the substantial completion. At substantial completion, the Contractor can request payment of any retainage exceeding the value of the punch list items.

7.5 (e) Total Amount Certified Prior to this Certificate is the total amount of all previous invoices minus the amount of retainage from previous invoices. This is sum of payments issued prior to this certificate.

7.6 (f) Total Amount of Payment Due for this Certificate is the amount that is due and payable for this invoice. It is the invoice amount minus 5%.

7.8 (g) Amount Retained from this Certificate is 5% of the gross amount of the current invoice.

7.9 (h) Total Amount Certified for payment to Date (including this certificate) is the total amount of all payments that have been issued to the vendor, including this payment.

7.10 (i) Total amount of Retainage including this certificate is the total amount of retainage from previous requests plus the amount of retainage from this invoice.

7.11 (j) Balance to be paid on this contract is the Current Contract Amount minus the Total Amount Certified for Payment from previous certificates minus the amount paid from this certificate plus the amount of all retainage.

(Exhibit A)

CERTIFICATE OF PAYMENT FOR CONSTRUCTION

Contract No.: _____ Invoice Date: _____
 Certificate No.: _____ Invoice Receipt Date: _____
 Invoice No.: _____ Validated Invoice Date: _____
 Payment Amount: _____ Date Goods/Services Received: _____

This is to certify that, in accordance with the terms of the Contract executed on the _____ day of _____, 20____
 by and between _____ (Contractor), and Texas A&M University-Kingsville (Owner),
 there is due and payable from the Owner to the Contractor, the sum of
 _____ (Dollars) (\$ _____).

This certificate covers contract work done for the following: _____.

A summary of the financial transactions under this contract is as follows:

Original Contract Price	(a)	\$
Current Contract Amount (including Change Orders) ((a) + total of change orders)	(b)	\$
Total Amount of Goods & Services Delivered and Invoiced to date. (total of invoices)	(c)	\$
Amount Retained pending final acceptance (5% of (c))	(d)	\$
Total Amount Certified (PAID) prior to this certificate ((c) – (d) – (f))	(e)	\$
Total Amount Due for this Certificate No. _____ (current invoice – 5%)	(f)	\$
Total Amount Certified to Date (including this certificate) ((e) + (f))	(g)	\$
Balance to be paid on this contract ((b)–(g))	(h)	\$
Approved by:		Date:
Name (Typed or Printed):		Date:
Procurement & Travel Svcs:		Date:
HUB Coordinator:		Date:
Finance Services:		Date:

Notes:
Account No:

<u>Approved By:</u>	<u>Signature:</u>	<u>Date:</u>
Project Manager:		
Procurement Processor:		
Procurement Buyer:		
HUB Coordinator:		
Financial Services 1:		
Financial Services 2:		

This Certificate for Payment must be delivered to PTS within two weeks of the Validated Invoice Date.

Validated Invoice Date is the latter of:

- The date the invoice was received by TAMUK or the TAMUK contracted AE
- The date the goods and/or services being invoiced were delivered or completed

If the invoice is in error, it must be rejected to the vendor within three (3) days of receipt. The payment clock resets to zero (0) with the submittal of a corrected invoice.

If there is a discrepancy between the invoice goods and services and the delivered goods and services, the clock is resets to zero (0) upon delivery of the goods and services.

Any discrepancy with invoiced goods and services and actual delivered goods and services must be disputed immediately and dispute must be documented.

A copy of the email submittal must be attached to this certificate. All documents must be date stamped when they are received.



To: All TAMUK Employees Engaged in Processing Progress Payments
All Architects and Engineers Working on Projects for TAMUK

RE: Prompt Payment Act, Requirement to Pay Within 30 Days

Ladies and Gentlemen:

The purpose of this letter is to:

Clarify the rules and timelines required to make payments to contractors in compliance with the Texas Prompt Payment Act (Government Code 2155)

Define the duties and responsibilities of each person engaged in processing requests for payment of services for construction or other progress payment contracts

Establish firm milestones for timely processing of requests for payment

Texas Government Code 2155 requires that the University pay for goods and services delivered and invoiced in accordance with the project specifications within 30 days. The 30-day clock starts running on the latter of the following:

The day the invoice is received

The day the goods and/or services are delivered

The day the invoice is considered received is on the day that the University or the University's contracted A/E for the project receives the invoice. The invoice may be sent via email, hand delivery, U.S. mail, or commercial carrier. The form of the invoice must be in accordance with the instructions in the Uniform General Conditions.

To comply with the law requiring payment within 30 days, each office must adhere to a rigid schedule. The following schedule sets forth the time allocated to each party in the invoice approval process.

- A/E – 7 calendar days
- PM – 7 calendar days
- PTS – 7 calendar days
- AP – 7 calendar days

The contractor and the PM must be notified of any dispute with three (3) days of receiving the invoice.

The PM must submit a cover check sheet with each request for payment. TAMUK Standard Administrative Procedure 650 provides details on how to prepare the cover check sheet for the request for payment.

Overall responsibility for getting the payment request to PTS by the end of the 14th day lies with the Project Manager.

Failure to comply with this schedule will result in a negative report in the A/E or PM file. If the late payment is due, the University may seek re-payment from the A/E or PM. If a late payment is due to the fault of PTS or AP, then the late payment fee may be charged to their account.

Rachel Buentello, CTCM, CTPM
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DRAFT

PP-700 Procurement Card Program
Approved June 15, 2005
Revised January 26, 2018
Next Schedule Review: January 23, 2023

1. Purpose

To define the purpose and goals of the program

2. Scope

This section applies to the Procurement Card Program.

3. Procedure

3.1 The University has established a Procurement Card Program for the following reasons:

- 3.1.1 Reduce the administrative cost for processing small dollar transactions.
 - 3.1.1 Expedite delivery of small dollar purchases.
-

1 Purpose

This Rule provides the procedure on Export Controlled purchases.

2 Scope

This Rule applies to all Export Controlled purchases made by the University.

3 Procedure

3.1 Employees making purchases, under department delegation or through Procurement and Travel Services, are responsible for ensuring their purchases comply with export control laws and regulations. If TAMUK employees are making international purchases under department delegation, employees should contact their department/college export control delegate to conduct a Restricted Party Screening (RPS) before such purchase. Any international purchase coordinated by Procurement and Travel Services will be forwarded to their export control delegate for export controls screenings. Lastly, the item intended for purchase must be classified prior to purchase.

3.2 For detailed information on Export Controls please contact the Office of Compliance at the following link:
<https://www.tamuk.edu/finance/employee-services/hr/compliance/index.html>
