

**TEXAS A&M UNIVERSITY-CORPUS CHRISTI
PROCUREMENT AND DISBURSEMENTS**



**PURCHASING POLICY & PROCEDURES
HANDBOOK**



Table of Contents

I. INTRODUCTION.....	4
LETTER FROM THE DIRECTOR,	4
ORGANIZATIONAL CHART	5
PHONE NUMBERS & E-MAIL ADDRESS	6
II. TAMU-CC PURCHASING HANDBOOK.....	7
DOLLAR GUIDELINE FOR ALL FUNDING ACCOUNTS.....	7
REQUISITION SIGNATURE AUTHORIZATION LEVELS	11
AFTER-THE-FACT PURCHASING	11
PURCHASING SOURCES	13
CANCELLATION OF PURCHASE ORDER OR RETURN OF PURCHASES.....	13
AUTHORITY TO OBLIGATE FUNDS.....	14
THE PERSONAL USE OF UNIVERSITY CONTRACTS AND VENDORS.....	14
PROPRIETARY/ SOLE SOURCE JUSTIFICATION	14
EMERGENCY PURCHASES AND JUSTIFICATION	15
RESEARCH.....	16
DIRECT PUBLICATIONS	16
GIFT ACCOUNTS.....	16
FEDERAL FUNDS	16
GRANTS	17
PRE-APPROVAL REQUIRED FOR EQUIPMENT/SUPPLIES/SERVICES BY FACILITIES SERVICES	17
TAXPAYER/VENDOR HOLD	18
SECTION 361.991 TELEVISION EQUIPMENT	18
SALES AND USE TAX.....	19
OUT OF STATE SALES AND USE TAX	19
SPECIALIZED PURCHASING AND EXEMPT PURCHASES	20
INSTITUTIONAL MEMBERSHIPS	20
INDIVIDUAL MEMBERSHIPS.....	20
TERM CONTRACTS (STATE CONTRACTS).....	21
TXMAS CONTRACTS (TEXAS MULTIPLE AWARD SCHEDULE CONTRACTS)	21
ACQUISITION OF INFORMATION TECHNOLOGY (HARDWARE, SOFTWARE OR SERVICES).....	21
GROUP PURCHASING PROGRAM.....	23
FLOWERS, FLORAL ARRANGEMENTS, AND PLANTS.....	23
FOOD PURCHASES	23
RENTALS OF MACHINES AND EQUIPMENT	23
PURCHASE OF USED OR DEMO EQUIPMENT	24
TRADE-INS	24
LEASE PURCHASES OR INSTALLMENT PAYMENT PURCHASE	25
LEASE OF SPACE.....	25
EXEMPT PURCHASES	26
PETTY CASH PURCHASES	27
PETTY CASH PROCEDURES	27
GENERAL.....	28
FORMS AND SIGNATURES	28
PETTY CASH PURCHASES	28
ADVANCE TO MAKE PURCHASES	29
OTHER USES OF PETTY CASH REQUIREMENTS.....	29
PROCUREMENT CREDIT CARD	29



SERVICES 30

PURCHASE OF SERVICES 30

STATE & LOCAL FUNDS 30

EQUIPMENT MAINTENANCE/SERVICE AGREEMENTS 30

PRINTING AND COPYING 31

PRINTING AND COPYING OVER \$25,000.00 31

INTERAGENCY AGREEMENTS/CONTRACTS 32

INTRA-AGENCY (INTRA-SYSTEM) PURCHASES 32

EMPLOYEE VS. INDEPENDENT CONTRACTOR DETERMINATION 32

IRS RECLASSIFICATION OF INDEPENDENT CONTRACTORS TO EMPLOYEE STATUS 34

USE OF PRIVATE CONSULTANTS 35

GUEST SPEAKER/LECTURER SERVICES/PERFORMER 35

HONORARIA 36

ADVERTISING/PUBLIC RELATIONS (TO INCLUDE TELEVISION, RADIO, ETC) 36

INVOICING 37

PROMPT PAYMENT LAW 37

EARLY PAYMENT DISCOUNTS 39

EXCESS OBLIGATIONS PROHIBITED 39

BOND REVIEW BOARD 40

CENTRAL RECEIVING AND SURPLUS PROPERTY 41

SERVICES 41

CENTRAL RECEIVING 42

PROCEDURES - RECEIVING SHIPMENTS 42

GUIDELINES FOR MERCHANDISE RETURNS/REPAIR 44

TRACKING SHIPMENTS 45

RETENTION RECORDS STORAGE 45

TO RESEARCH RECORDS 46

SURPLUS PROPERTY GUIDELINES 47

CANNIBALIZATION OF EQUIPMENT 50

INTERNAL FLOW CHART FOR 51

DISPOSITION OF SURPLUS/SALVAGE PROPERTY 51

III. SYSTEM REGULATION AND PURCHISING PROCEDURES..... 52

25.07.03 SYSTEM REGULATION – ACQUISITION OF GOODS AND/OR SERVICES..... 53

25.07.03.C1.01 PURCHASING PROCEDURES 56

IV. GENERAL PURCHASING INFORMATION FOR BUYERS 57

MULTIPLE AWARD CONTRACT PROCEDURE 58

PREFERENCES 59

BID SUBMISSION, BID OPENING, AND TABULATION 61

CENTRALIZED MASTER BIDDERS LIST..... 66

COMPETITIVE SEALED PROPOSALS..... 66

V. GLOSSARY 67

GLOSSARY OF DEFINITIONS..... 67

HELPFUL LINKS..... 71



I. INTRODUCTION

Letter from the Director,

Welcome to Texas A&M University-Corpus Christi and the Procurement and Disbursements Department, also known as, Purchasing. This booklet has been designed with an overview of the purchasing process. The primary function of these pages is to familiarize faculty & staff with the basic information necessary to communicate with the Procurement and Disbursements Department. Purchasing Department is responsible for the purchasing of supplies, equipment and services necessary for the operations of the University. It is also responsible for Disbursements, also known as Accounts Payable, and Travel which are covered under separate guides.

As an agency of the State of Texas we are bound by the laws of the State of Texas. We subscribe to the Code of Ethics as outlined by the National Association of Educational Buyers and the State of Texas.

Mission

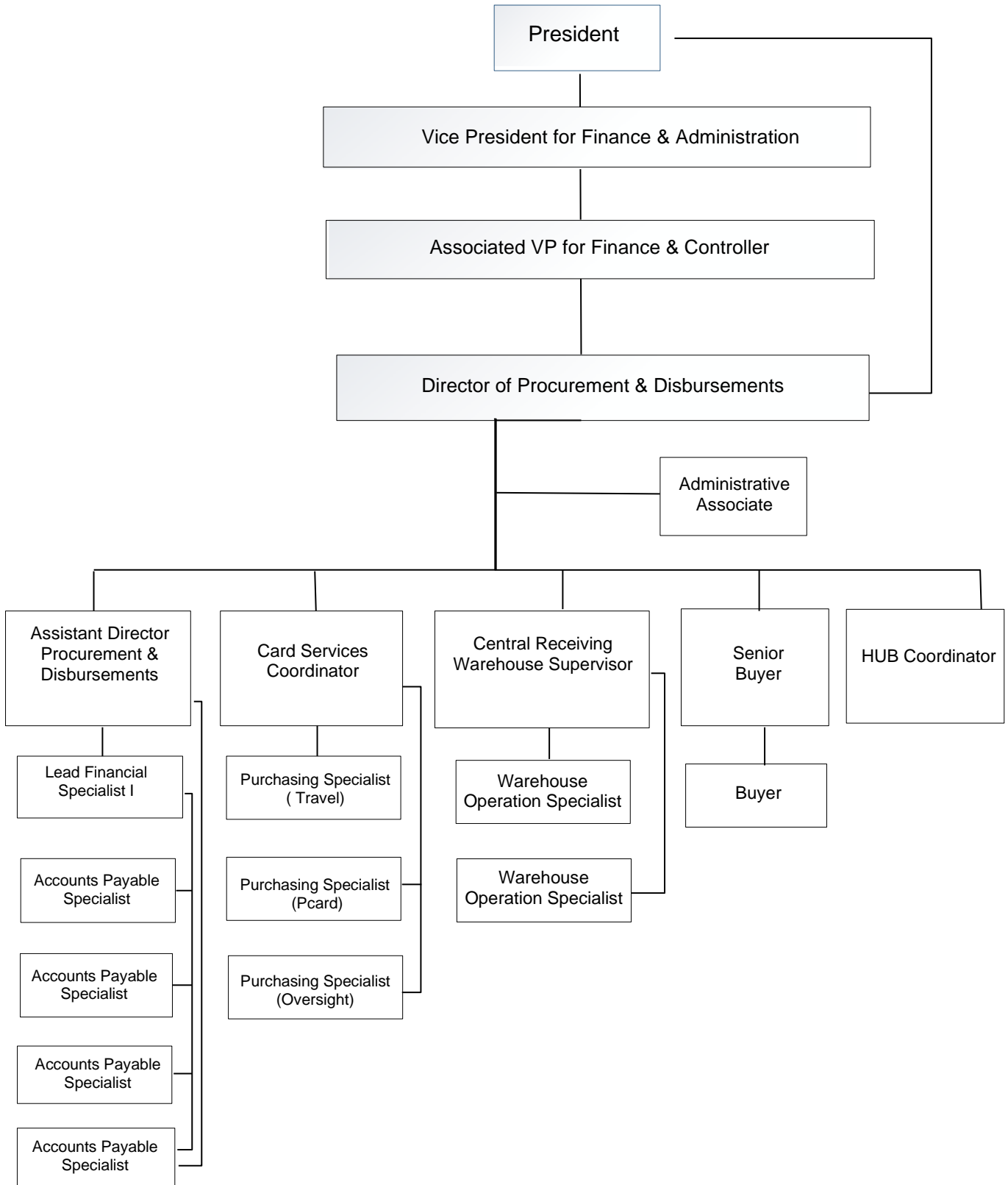
The mission of the Procurement and Disbursements Department is to procure and pay for goods and services to support the University programs, services and research with courteous and dedicated assistance to all of our customers. The Procurement and Disbursements Department will support the mission of the University while maintaining the highest level of professional ethics and integrity and promote efficient and effective use of all resources.

Communication is a key factor in the procurement process. We want to do all we can to help you obtain your equipment, services, and supplies as needed. Please feel free to call on us anytime you have questions or comments at 825-2617.

Director of Procurement and Disbursements



ORGANIZATIONAL CHART





PHONE NUMBERS & E-MAIL ADDRESS

Procurement Staff

Will Hobart	Director	will.hobart@tamucc.edu	361-825-2616
Kelly Osuch	Administrative Associate IV	kelly.osuch@tamucc.edu	361-825-2617
Rachal Ganson	Senior Buyer	rachal.ganson@tamucc.edu	361-825-3434
April Bass	Buyer	april.bass@tamucc.edu	361-825-2513
Ruben Gonzalez	HUB Coordinator	ruben.gonzalez@tamucc.edu	361-825-5822

Central Receiving Staff

Christopher Lopez	Warehouse Supervisor	christopher.lopez@tamucc.edu	361-825-2209
Vince Lopez	Warehouse Worker II	vince.lopez@tamucc.edu	361-825-2094
Patrick Toscano	Warehouse Worker II	patrick.toscano@tamucc.edu	361-825-5727

Accounts Payable Staff

Cynthia Turner	Assistant Director	cynthia.turner@tamucc.edu	361-825-5780
Raquel Garcia	Lead Financial Specialist I	raquel.garcia@tamucc.edu	361-825-2779
Kacheryl Powell	Accounts Payable Assistant III	kacheryl.powell@tamucc.edu	361-825-5956
Patricia Mackey	Accounts Payable Specialist III	patricia.mackey@tamucc.edu	361-825-3950
Vacant	Accounts Payable Specialist III	Vacant	361-825-2239
Sarah Mireles	Accounts Payable Specialist III	sarah.mireles@tamucc.edu	361-825-2781
Vacant	Accounts Payable Assistant III	vacant	361-825-2780

Card Services Staff

Veronica Munoz	Card Services Liaison	Veronica.Munoz2@tamucc.edu	361-825-3034
----------------	-----------------------	--	--------------

DEPARTMENT WEBSITES

Accounts Payable:	finance-and-administration/financial-services/disbursements-travel-services/accounts-payable
Credit Card Information:	
Travel:	https://finance-and-administration/financial-services/disbursements-travel-services/travel
P-Card:	https://finance-and-administration/financial-services/credit-card-administration
Central Receiving:	https://finance-and-administration/financial-services/inventory/central-receiving
Purchasing:	https://www.tamucc.edu/finance-and-administration/financial-services/purchasing
HUB Program:	https://finance-and-administration/financial-services/purchasing/hub-program



II. TAMU-CC PURCHASING HANDBOOK

DOLLAR GUIDELINE FOR ALL FUNDING ACCOUNTS

The following guidelines will be used when making purchases of goods and services.

A. ≤\$5,000 Limited Purchase Orders (Delegated purchases to department)

1. Departments have received delegated authority to make purchases of equipment, supplies and services within specified \$5,000 limits (including freight and postage) for both local and state accounts. This limited authority was delegated to allow departments to expedite the purchase of items needed immediately without having to prepare a purchase requisition.
2. No bids are required. Purchases can be initiated at the departmental level by entering information in IslanderBuy. Once the information has been entered, funds encumbered and approved electronically, the department must place the order directly to the vendor. If the vendor requires a copy of the limited purchase order, you can print a hard copy of the Limited Purchase Order through IslanderBuy.
3. The limited purchases do not go through Purchasing; therefore, the department is responsible for placing orders and resolving any order discrepancies with the vendor. Upon receipt of goods or services, departments are responsible for receiving the order in IslanderBuy in a timely manner.
4. Departments must enter the name of the vendor, phone number, person contacted, address, account number, object code description, unit price, and shipping terms. Departments must add a line item for freight with the following statement. For this line item, put the following statement "FREIGHT CHARGES ARE AUTHORIZED TO BE PAID FOR THE ACTUAL COST – ESTIMATE IS FOR ENCUMBRANCE PURPOSE ONLY." Or you can put a line item that states, "NO FREIGHT TO BE PAID" and put as no



charge. When obtaining a vendor quote, department must ensure that the prices and terms of the purchase are accurate.

5. Departments also have the option of submitting orders under \$5,000 through Purchasing if they choose not to place the order themselves and prefer to have a hard copy of the purchase order.
6. Departments are highly encouraged to purchase equipment and supplies within their purchasing authority from Historically Underutilized Businesses (HUBs). To verify if a company is HUB certified, you can go to FAMIS Screen 174.
7. Departments may not exceed the authorized delegated limit. Purchases may not be broken down into small purchases in order to meet the authorized limit of authority.
8. Golf cart purchases must be submitted through Purchasing.
9. Office supplies must be purchased through the awarded vendor, Summus Industries.
10. Delegation of purchase authority will be withdrawn for intentional misuse.
11. Departments using the standard TAMU-CC [Quote for Services](#) and [Twenty-Factor Test](#), have authority to sign up to \$5,000 without requiring the signature of the Director of Procurement and Disbursements. For contracts that do not involve monetary value, use the "[Non-Purchase Order Contract/Agreement Approval Form](#)" located on the Procurement & Disbursements webpage under Online Forms.
Note: This form is not required if contract is submitted on a requisition or limited purchase order.
12. Adherence to ethical standards as per [Ethics Policy 07.01](#). Employees of departments who perform purchasing functions under delegated authority shall adhere to the same ethical standards required of the Procurement and Disbursements employees and shall avoid all conflict of interest in their purchasing activities.
13. Withdrawal of delegated purchase authority guideline. Purchasing will verify compliance with established procedures for delegated purchases and may withdraw delegated purchase authority in whole or in part from a department for continued violations. When a purchase is made outside of normal purchasing procedures (**which means goods or services were purchased before funds were encumbered and appropriated in the FAMIS Module**). An After-the-Fact form must be completed indicating why the purchase did not comply with purchasing procedures. The Director of Procurement and Disbursements will then approve and/or decline the processing for payment.



14. When a department places an order before this process, it is called an [After-the-Fact](#) purchase and is considered a purchase procedure violation; refer to section "After-the-Fact Purchasing" for detailed policy.
 - (a) Based on the review of the documents, the Director of Procurement and Disbursements may revoke any delegation as deemed necessary.
 - (b) All delegated departmental purchases are subject to an audit by the internal and State Auditors. The Department must maintain all necessary documentation in a file to support purchases made through the payment card program. The file must contain proper documentation of the purchase quote prior to receipt of the invoice and documentation indicating receipt of the goods.
15. If using Federal Funds, refer to Federal Fund Clause.

B. \$5,000.01 to \$25,000.00 (Spot Purchase)

All purchases in excess of the authorized departmental purchase limit (over \$5,000.00) shall be submitted as a requisition to Purchasing. Departments may recommend a vendor for purchases from \$5,000.01 to \$25,000.00 as this level of procurement does not require competitive bids. Department should make a good faith effort to utilize HUB Vendors and or [TIBH](#) before recommendation of the vendor. If a vendor is recommended, quote and requisition should be sent to buyer to process a purchase order. If a recommended vendor is not provided by the Department, Purchasing will determine the appropriate method of procurement and issue a purchase order.

C. \$25,000.01 to \$50,000 (INFORMAL)

1. The requisitioning department is authorized to obtain three bids. All three bids (two from HUB vendors) must be submitted including any documentation from vendor stating they do not wish to bid must be submitted to buyer.) Otherwise Purchasing will solicit the bid. The requisitioning department must submit proper documentation that includes full address, telephone number, and price per item, extended price, delivery information and the full name of person providing the quotation. If the quotation is written, a company representative must sign it.
2. Purchasing must attempt at least three informal bids, two of which must be obtained from certified Historically Underutilized Businesses.
3. Facsimile (FAX) responses may be submitted to the FAX number provided in the solicitation for procurements less than \$50,000, unless otherwise stated in the solicitation. All FAX responses must be signed in space provided in the solicitation. TAMU-CC will not be responsible for failure of electronic equipment or operator error. Responses that are late, illegible, incomplete, or otherwise non-responsive will not be considered.



D. \$50,000.01 ≥ (FORMAL)

1. Solicitation of formal written bids is required unless a proprietary justification accompanies the requisition. Proprietary (sole source) bids must be fully justifiable and documented.
2. Purchasing processes solicitations of formal written Invitations for Bid, which is required when the cost exceeds \$50,000. Formal bids are required as a written bid submitted in a sealed envelope in accordance with a prescribed format. Fax responses will not be considered unless otherwise stated in the solicitation. All FAX responses must be signed in space provided in the solicitation. TAMU-CC will not be responsible for failure of electronic equipment or operator error. Responses that are late, illegible, incomplete, or otherwise non-responsive will not be considered. Departments are not authorized to obtain quotations from companies for a formal written Invitation to Bid. A minimum of 10 working days is required to allow vendors to submit an invitation for bid. In the best interest of the University, we can modify the timeframe.
3. Detailed specifications are required to procure items. If the department needs help in obtaining specifications, your department's buyer should be contacted before making any contact with the vendor.
4. Online requisitions shall be submitted to Purchasing far enough in advance to allow sufficient time for preparing and advertising bid invitations, receiving and evaluating bids, awarding contracts, and permitting a normal delivery schedule.
5. Purchasing must attempt at least three formal bids, two of which must be obtained from certified HUBs.
6. Purchasing will normally specify delivery times that are standard in the industry. If a department requires a shorter than standard delivery times, it must state the requirement in its requisition. If the delivery requirement can only be met by one vendor, written justification will be required. If a department does not require early delivery but wishes to take advantage of it if available, the bid invitation will state that the ability to make early delivery may be a factor in making the award. In such cases, when it is to the university's advantage, Purchasing may accept a bid other than the lowest after consulting with the department. If the bid invitation contains no statement regarding early delivery, Purchasing may not consider early delivery in making an award.
7. Bids are no longer required to be posted on the Electronic State Business Daily <http://www.txsmartbuy.com/sp>. However, if it is determined to be in the best interest of the university, Purchasing may elect to post the bid for the 14 or 21 days.



Requisition Signature Authorization Levels

- A. Departments are required to submit a signature authority form to the Fiscal Office for who is authorized to approve documents in the purchasing module. All requisitions submitted must have the Authorized Signature Form on file in the Fiscal Office and must be programmed electronically in the purchasing module for electronic routing approval of requisitions. In addition, the signatures are required as stated for the following money amounts:
1. Up to \$25,000 - approval by account manager or designee and Dean/Director, if requested
 2. \$25,000 - \$49,999 - Appropriate Vice President
 3. \$50,000 - \$199,999 - Appropriate Vice President and Executive Vice President for Finance & Administration.
 4. \$200,000 and above - President's signature required.
 5. The approval of the Executive Vice President for Finance Administration is required on all requisitions for motorized vehicles (including golf carts and boats). Departments are not authorized to place orders for golf carts using Limited Purchase Orders. All of these must be submitted on a requisition and processed by the Procurement and Disbursements.
 6. All grant accounts, regardless of the money amount, are routed & approved by the Grant Education & Research Administration Office. Approval from Provost or Executive Vice President of Finance & Administration is required if over \$100,000.00.

After-the-Fact Purchasing

Non-Compliance Policy

In accordance with University guidelines, all purchases must be encumbered and approved within the FAMIS purchasing module prior to placing order for goods and services. Procedures require issuance of a purchase order prior to the purchase of goods or services from outside vendors except when using a P-Card.

When a department places an order before this process, it is called an "[After-the-Fact](#)" (ATF) purchase and is considered a purchase procedure violation, which must be submitted on voucher create with an "ATF" memo for justification of event along with steps taken to avoid in future purchases. All non-compliance purchases must be paid with local funds. All ATFs, regardless of the dollar amount, presents problems for Purchasing, Accounts Payable, vendors and end-users. In many cases, these transactions create unnecessary administrative effort, bypass State of Texas encumbrance requirements and violate procurement rules and procedures.



Definition

An ATF purchase typically occurs when the department makes a purchase with a vendor without an authorized purchase order number, either an "L" when \$5,000 or under or a "P" if over \$5,000. For example, authorizing a vendor to begin work before Purchasing issues a purchase order even though the department has submitted a purchase requisition in FAMIS is an ATF. Another example is when a department creates a limited purchase order and uses an invoice as a packing slip which means the goods are already on campus or services already performed or place an order before it is routed and approved by department head or designee.

Purchase Violations

Failure by an employee to follow the University procedures constitutes a purchase procedure violation and would be classified by internal system auditor as a "finding" to the University. Departments submitting a purchase requisition, limited purchase order, or a voucher create to Procurement and Disbursements for a good or service already ordered or received by the requesting department will be subject to the following administrative actions.

6.1 First violation

The Procurement and Disbursements Department will notify the individual and/or department head, whoever signed the Purchase Requisition and/or Voucher Create, of the violation. To enable the vendor to be paid, the department must complete the ATF justification form and submit to Purchasing. Additionally, Purchasing has the option of sending a letter to the vendor reminding them of the University's requirement of a Purchase Order for delivery of goods and services.

The department shall submit the complete ATF form to Director of Procurement and Disbursements or their designee for review and approval, if any. Upon receipt of this ATF memo, purchasing will send the approved ATF to Accounts Payable with authorization to process the non-compliant purchase order or voucher creates. Please be advised that Purchasing will be keeping a log/file of all such non-compliant purchasing requisitions and that continuation of such non-compliance may result in a limitation of purchasing capabilities.

6.2 Additional violation

If the Procurement and Disbursements determines that department/employee has excessive violations within the fiscal year, they may be required to submit a memorandum to the Executive Administrative Services Director explaining why the proper procurement procedures were not followed. Based upon the justification provide, the Executive Administrative Services Director will take action(s) deemed appropriate for the infraction. Possible actions include the following:



- a. Require attendance of Purchasing 101 Policy and Procedure Workshop
- b. Require employee to be personally responsible for payment of goods/services to vendor
- c. Revoke delegated purchasing authority

PURCHASING SOURCES

- A. There are essentially two sources from which needed goods and services might be secured:
 - (1) From on-campus sources such as Printing Services, the Bookstore, University Maintenance, Computer Services, Postal Services, Food Services or
 - (2) Off-campus sources such as the competitive bidding, request for proposal, and other alternate methods to specific application of goods and services purchased.
- B. Only if it is determined that the supplies cannot be provided by on-campus sources, will commercial vendors be used as a source of supply. It is important to note that state appropriated funds cannot be used to purchase goods or services from the Food Services.

CANCELLATION OF PURCHASE ORDER OR RETURN OF PURCHASES

- A. Requests for cancellation, deletion, or modification of any purchase order must be made to Purchasing in writing with explanation. Supplies or equipment to be returned to a vendor or contractor for adjustment or credit must be cleared through Purchasing prior to the initiation of any return shipment, or the amendment of an existing order if the purchase order is over \$5,000. Return on purchase orders under \$5,000 is the department's responsibility.
- B. The buyer will cancel or modify the purchase order online and will reprint the purchase order if required. The voided/canceled purchase order will be documented and filed in a fiscal year canceled purchase order file folder.
- C. Damages for failure to perform.
 - (1) A vendor who fails to perform as required under a contract shall be liable for actual damages and costs incurred by the university.
 - (2) If any merchandise delivered under a contract has been used or consumed by a department and upon testing is found not to comply with specifications, no payment may be approved by the University for such merchandise until the amount of actual damages incurred has been determined.
 - (3) A vendor who fails to pay damages assessed by the university may not be awarded additional contracts until such damages have been paid or the matter has been otherwise resolved.



VI. AUTHORITY TO OBLIGATE FUNDS

- A. The Director of Procurement and Disbursements, Buyers, the Executive Administrative Services Director, Vice President for Finance and Administration, and the President are the only officials of the University authorized to obligate the funds of the University for the purchase of supplies, equipment, and services over \$5,000.
- B. The University will not assume liability for the payment of obligations incurred by any other employees or officials of the University, unless authorized in writing in advance by one of the above officials.
- C. No employees are authorized to sign contracts for the university unless authorized in the Delegation of Authority. The only authorized TAMU-CC [Quote for Services](#) for up to \$5,000.00 an employee can use is found on the Procurement and Disbursements website under Online Forms.

THE PERSONAL USE OF UNIVERSITY CONTRACTS AND VENDORS

Law prohibits the University from the purchase of goods or services for the personal use of any employee. The only purpose for which the University may expend its funds is for the benefit and support of the University, and its mandated purposes. Law prohibits the University from paying for individual memberships in scientific or other societies, or to pay for subscriptions to professional magazines for the personal benefit of an employee. The University is prohibited from paying for entertainment expenses, including food and/or drinks, with State funds.

State resources cannot be used to receive or deliver personal packages. When placing personal orders, do not use central receiving address or departmental physical address TAMU-CC cannot be liable for any loss or damage incurred.

PROPRIETARY/ SOLE SOURCE JUSTIFICATION

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. You must include a written proprietary letter with Requisitions. Proprietary justification is not needed for purchases of \$25,000 or less.

- A. What is the unique feature and why is this unique feature needed for your application?
- B. Why will competing products not be satisfactory?

The first question should be answered in functional terms. Indicate why the dimensions or performance characteristics are essential. An explanation of the need for the specification, i.e., which part or parts of the stated specification restricts the requisition to one manufacturer or provider. The answer to the second question should indicate specifically the 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 call your buyer.

This requirement applies to both state and local accounts.

EMERGENCY PURCHASES AND JUSTIFICATION

Emergencies occur as the result of unforeseeable circumstances and may require an immediate response to avert an actual or potential public threat. If a situation arises in which compliance with normal procurement practice is impracticable or contrary to the public interest an emergency purchase may be warranted to prevent a hazard to life, health, safety, welfare, property or to avoid undue additional cost to the state.

Notwithstanding the immediate nature of an emergency all procurements conducted as emergencies should be made as competitive as possible under the circumstances. If an emergency exists a written determination of the basis for the emergency and for the selection of a particular vendor shall be included in the procurement file in accordance with this section. Emergency purchases of goods or services should not exceed the scope or duration of the emergency.

The Procurement and Disbursements department will approve an emergency purchase in accordance with the following provisions:

- At least three informal bids are encouraged whenever possible on all emergency purchases. An award should be made based on best value, considering the type of emergency.

Justification Requirements

Emergency purchases require a letter of justification documenting the emergency which must be signed by the procurement and disbursements director or an authorized representative, and at a minimum address the following:

- The nature of the emergency purchase (hazard to life, health, safety, welfare, or property or to avoid undue additional cost to the state), and what caused the emergency situation; and
- The estimated impact or damage either financial or otherwise that will occur by following normal procurement practices (general statements of loss or nominal damage are not acceptable).



The departments shall contact the Procurement and Disbursements department for advice and assistance in the handling of emergency purchases. The Procurement and Disbursements department may not approve an emergency purchase unless the department as complied with the above requirements.

RESEARCH

Purchasing will bid and award these purchases consistent with University and state procedures.

DIRECT PUBLICATIONS

This delegation does not include any item which could reasonably be expected to be bid. An example of an item which may be competitively bid would be subscription services. While certain publications may only be available from the publisher, a service which manages subscriptions to various publications could be competitively bid. Examples of direct publications that are not expected to be bid include, but are not limited to, the following:

- direct subscriptions;
- electronic data service directly from the publisher (not to be confused with on-line information services such as CompuServe, America On-line, etc., which are not direct publications);
- foreign publications;
- back issues of magazines, journals, and newspapers;
- publications of professional societies;
- prepared videos (as opposed to blank videos), films, audio tapes, laser discs, and CD ROM discs;
- computer software which is not available under DIR
- collections of any of the foregoing items, and microfilm or microfiche copies; and
- Library of Congress cards.

All payments for direct publication, regardless of dollar amount require the following statement:

"Not available through any other source."

GIFT ACCOUNTS

Gift accounts are processed the same as local funds unless the donor specifies a vendor or sole source.

FEDERAL FUNDS

Purchases utilizing Federal Funds must be made in accordance with provisions of grant or contract. All federal and state guidelines are followed in the procurement of goods and services. Federal funds may utilize State Contract and General Service Administration contracts.



GRANTS

Purchases utilizing grants must be made in accordance with provisions of grant or when using a contract. When using grant accounts approval is required if:

1. Under \$50,000 Director of Contracts can sign and review without TAMU Legal review, grant's office personnel will review and approve in FAMIS.
2. Over \$50,000 TAMU Legal must review (waived if using a legal approved contract form), grants office will verify that goods or services are allowed in grant and will approve in FAMIS. Director of Sponsored Programs, Research & Graduate Studies and Director of Contracts grants will sign the contract.
3. \$100,000 or over will require the signature of the Executive VP of Finance and Administration.

PRE-APPROVAL REQUIRED FOR EQUIPMENT/SUPPLIES/SERVICES BY FACILITIES SERVICES

Equipment/Supplies Requiring Installation/Modification of Facility

Requisitions for equipment that requires installation/modification of existing facilities is submitted to Facilities Services prior to being sent to Procurement and Disbursements. Facilities Services reviews and notifies department of any additional requirements that will be needed. These are incorporated into the requisition and then sent to Purchasing. If a Facilities Services work request to modify the facility is needed, the using department is notified.

Modification, Construction and Renovation

Modification, construction and renovation of existing building and grounds must be approved by Facilities Services. Requisitions will not be processed by Purchasing without written approval of Facilities Services by a [Project Initiation Request](#).

Handheld Radios, Security Radios

All requests are submitted to Telecommunications and Facilities Services for review prior to submitting by Procurement and Disbursement Department. Due to security and the limited frequencies available and the necessity to identify program frequencies for each radio, the Telecommunications Department reviews all radio purchases.

Portable Building

Portable Buildings must be approved prior to purchase by the Director of Facilities Services.

Security Camera system & Door Access

Purchases involving locking mechanisms, door access control components, and/or security camera systems must be submitted through the "Door Access Committee" which will eliminate multiple security related systems.



Taxpayer/Vendor Hold

TAMU-CC utilizes FAMIS (Financial Accounting Management Information System) which is designed for use by The Texas A&M University System. This electronic system downloads Taxpayer/Vendor information from the Texas State Comptroller's file nightly. FAMIS has incorporated into the Accounting and Purchasing Modules a feature that will not allow an award or payment to be made to a vendor not in good standing unless specifically allowed by an override. Department can go to Screen 171 on the FAMIS Module to view vendors on state hold.

TAMU-CC will utilize FAMIS for complying with the comptroller's taxpayer verification process. If the vendor is not found in FAMIS then the comptroller's web site will be used for verification – <https://ourcpa.cpa.state.tx.us/coa/Index.html>

TAMU-CC will only have to verify whether or not a vendor is on warrant hold with the Comptroller's office to be able to enter into a contract with them. If the written contract specifies that contract payments must be made through the Comptroller's issuance of warrants or initiation of electronic funds transfers or local funds, you do not have to verify warrant hold status.

If vendor is on warrant hold, you may still enter into a contract with them if the vendor agrees in a contract that payments made by the state agency will be applied toward their department or delinquency, regardless of when it arises. (State or local funds are able to do)

Section 361.991 Television equipment

Effective Date: Sept. 1, 2011

Relating to the sale, recovery, and recycling of certain television equipment; providing administrative penalties

This bill creates a television equipment recycling program at the Texas Commission on Environmental Quality. The bill requires manufacturers of covered television equipment to register with the TCEQ and pay a registration fee of \$2,500 each year, in addition to providing other information about their television equipment recycling activities.

The bill requires vendors who bid on state contracts for the purchase or lease of television equipment to certify compliance with the program created by the bill. State contracts shall also include a procurement preference for prospective bidders on state contracts for television equipment manufacturers whose programs go beyond certain requirements of the bill. The CPA will adopt rules implementing purchasing preferences for state agencies regarding state-agency purchasing of television equipment. Sec. 361.991 on pXXX



Sales and Use Tax

As agency of the State of Texas, Texas A&M University-Corpus Christi is tax exempt. The exemption applies to all purchases on limited purchase orders, purchase orders, P-card, and Travel card.

The Purchasing credit card identifies agency as being tax exempt. All cardholders should carry a [Tax Exemption Certificate](#) with their P-card. Texas state sales tax charged on a transaction should be credited back to the P-card. It is suggested to return to or contact the vendor to correct the charge or request the credit. Departments should follow current Texas A&M University-Corpus Christi Procurement Guide regarding sales tax.

Out of State Sales and Use Tax

There are occasions where non-Texas sales tax can be paid. If you are in another state and take possession of goods in that state, we are subject to pay the non-Texas sales tax. If goods are ordered from another state and shipped to Texas and that vendor does not have a Texas location, we should not pay the non-Texas sales tax.

As per [eXpendit](#), a state agency may not voluntarily pay a tax or fee if the agency is legally exempt from paying it.

TAMU did get permission from OGC several years ago that we could pay sales tax on a gift account but that is not a good use of gift funds, so it is discouraged but allowed. If the department has no gift account or the vendor does not reimburse the tax, the employee is to pay out of pocket for the sales tax and attach the paid tax receipt from Bursar office



SPECIALIZED PURCHASING AND EXEMPT PURCHASES

INSTITUTIONAL MEMBERSHIPS

Institutional Memberships – Requires approval by the President of the University or an approved designee. Institutional Memberships must be in the name of the university and not in that of an individual. A list of approved memberships can be found at the Office of Administrative Services website under [ORG Membership](#).

If you are trying to process a new organizational membership for President’s approval, you must submit the following in order to process the request:

A memo signed by the both the Dean and the Vice President overseeing the Department. The memo must state the following:

- public purpose that will be served by the obtaining the membership
- how the membership relates to the specific statutory duties of your department
- what consequences or impact will the university have if the membership is not approved

A state agency may not spend state funds to pay for a membership fee or dues to a professional organization unless the head of the agency, or his/her designee, reviews and grants prior written approval for the expenditure. Membership fees can be paid with state funds only if you provide written documentation that you have checked the State of Texas ethics website, located at <http://www.ethics.state.tx.us/dfs/loblists.htm> and confirm that the organization is not listed under “Lobby List – Registered Lobbyist and Clients”.

INDIVIDUAL MEMBERSHIPS

New individual membership will be allowed with prior Department Head Approval, not to exceed \$300.00. A list will be submitted to the President for approval and once approve, it will be added to the [ORG Membership](#) List. If paid without advanced approval, employee may have to reimburse TAMU-CC. Approved individual membership can be paid on P-Card. Local, gift, and IDC accounts can be used. IDC funds should only be expended for projects encouraging further research.

APPROVAL REQUEST FOR A NEW INSTITUTIONAL OR INDIVIDUAL MEMBERSHIP COSTING MORE THAN \$300

To request the President’s approval for a new institutional or individual membership over \$300, department should submit the letter of justification through the Executive Director, Administrative Services for routing to the President for approval.



TERM CONTRACTS (STATE CONTRACTS)

The Texas Procurement and Support Services (TPASS) enters into term contracts for the purchase or lease of items used in large quantities by several state agencies and institutions of higher education. The term of a contract is determined by TPASS.

TAMU-CC may utilize state term contracts when it is determined to be the best interest of the university. Factors such as quality, delivery time, and price will be considered in determining best interest.

TXMAS CONTRACTS (Texas Multiple Award Schedule Contracts)

Process for buying commercial items and services. They capitalize on prices associated with volume buying. Federal Multiple Award Schedules satisfy requirements for full and open competition. Ordering procedures allow for Best Value purchasing decisions.

ACQUISITION OF INFORMATION TECHNOLOGY (Hardware, Software or Services)

The University's Information Technology Department must approve the purchase, lease, or other acquisitions of any information-technology-related hardware, software, or services before the acquisition can be made by Procurement & Disbursements. Staff should contact the IT Department for advice and assistance early on to help ensure approval.

System Regulation 29.01.01 requires System's approval for any IT purchase of \$250,000 or more.

1. Computers: The term "computer" refers to any computing device: servers, laptops, desktop, tablets (i.e., IPADS), etc.

Allowable Purchasing Methods for Computers:

- a. Computers should be acquired with a requisition. Procurement and Disbursements Department will route all computer hardware requisitions to IT for approval. Procurement and Disbursements Department will not process a requisition for a computer that is:
 - 1) not on the Approved Computer List, and
 - 2) does not have an approved exception form
- b. Computers cannot be acquired using a P-card or PO **without advance authorization** from the Director of Procurement and Disbursements Department.



Allowed Computers:

- a. The IT Department maintains a list of pre-approved computer makes/models (the Approved Computer List) at <https://information-technology/desktops-software/desktop-purchasing>. To request a quote or list of these computers, users should put in an IT ticket. Users should acquire computers from the Approved Computer List whenever possible.
- b. People who wish to acquire a computer that is not on the Approved Computer List must fill out an exception form, which can also be found at <https://information-technology/desktops-software/hardware-recommendations>. Exceptions are approved/denied by the IT Department. The IT Department will not approve the exception if the requester does not provide a compelling reason why their needs cannot be met by one of the computers on the Approved Computer List.

2. Software:

- a. All software acquisitions will be routed to the Software Licensing Analyst for approval. All software purchase requisitions over \$5,000 shall be sent to the Department of Procurement and Disbursements for processing.
- b. Software with a cost not exceeding \$5,000 and requiring the execution of a third party contractor license, must be submitted to the Contract Administration for review prior to any commitment for the purchase of the software. Only the Contract Administration has authority to execute license agreements.
- c. Software License Agreements (regardless of dollar value), must be submitted to Procurement and Disbursements after the [Contract](#) has been approved. License Agreements are reviewed by General Counsel (TAMU System) when over \$100,000 and signed by the Contracts Administration.
- d. All software with a cost in excess of \$100,000 is classified as capital equipment per the State of Texas GASB 51 and must be inventoried.
- e. Software is allowed on Procurement Card if the cost is \$500.00 or less and there are no recurring costs.

3. IT-Related Services and Leasing

- a. All acquisition requests for IT-related services and leasing must be approved by the University's IT Department. IT services include support, consulting, hosting, and online services.
- b. Contracts for IT services have to comply with federal, state, System, and TAMUCC laws and policies. Contract review and finalization can take a long time. Therefore, users are strongly encouraged to consult with both the IT Department and the Contracts Department at the earliest possible moment when considering contracting for IT services.



GROUP PURCHASING PROGRAM

TAMU-CC may purchase material, supplies, or equipment through group purchasing programs (Cooperatives, Alliances, etc.) These types of purchases have already been bid and awarded and do not require any additional bidding process.

FLOWERS, FLORAL ARRANGEMENTS, AND PLANTS

The University may not use state funds to purchase flowers, floral arrangements, or decorative plants for a state officer or employee or for the friends or family of a state officer or employee. Local accounts may purchase flowers and plants, upon advanced approval from the account responsible with adequate documentation. Refer to [Expenditure Guidelines](#).

Purchases from state funds are limited to vegetation, dirt, potting soil, fertilizer, seeds, and plants needed for erosion prevention, research, teaching, or agriculture.

FOOD PURCHASES

The use of state funds for the purchase of food is very limited. **State funds cannot be** used for the purchase of coffee or related items for consumption by employees or departmental visitors. State funds can, however, be used to pay for food purchases related to research or teaching. Refer to [System Policy 21.01.12 – Purchase of Food and Refreshment](#).

Expenditures for food and/or refreshments from local funds are authorized as per the [Expenditure Guidelines](#).

RENTALS OF MACHINES AND EQUIPMENT

A. Rentals

Purchasing procedures require that any rental involving the use of funds must be handled through Procurement and Disbursements prior to the date of required use and on an annual basis. On rentals equal to or greater than \$5,000.00 for the entire rental period, submit requisition to purchasing department.

In the case of a long-term rental, the total anticipated rental amount will be the criteria for the type of handling. For example, if a department wanted to rent a copier from an outside vendor at \$500.00 a month for only a month, a requisition through the Purchasing would not be necessary unless a contract needed to be signed. On the other hand, if the anticipated rental period total exceeds \$5,000.00 a requisition would be required.

B. Start Date

New lease or rental contracts, maintenance agreements, or various other term-oriented service contracts may be written to have an effective start date at any time during a fiscal year. However, the contract must be written to expire on the last day of the fiscal year within which it is effective, with renewals written to coincide with the beginning of the new fiscal year on September 1st. Contracts and agreements shall be processed, reviewed



and executed by Contracts Administration. Departments do not have the authority to sign a contract.

PURCHASE OF USED OR DEMO EQUIPMENT

Should it become necessary for a department to secure used or demonstrator equipment or supplies due to inability to secure new equipment, or because of lack of adequate funds or used equipment will satisfy the agency's need at a substantial savings. The following documents and data must be provided:

1. Properly prepared requisition fully describing equipment.
2. Signed bid or bids secure by agency, (min. 3) or reason why 3 bids could not be obtained.
3. If only one bid is available, statement as to why no competition.
Letter or signed statement from bidder or bidders guaranteeing quality and condition of merchandise offered.
4. Letter from authorized person connected with the University giving acceptable reasons why it is necessary to purchase used merchandise and the approximate cost of same if purchased new.
5. Letter from an authorized, responsible person connected with the university stating that he/she has personally examined equipment or supplies, and giving his/her opinion as to condition and value.

TRADE-INS

NOTE: Regardless of dollar amount, request for trade-in must be submitted to the Procurement and Disbursements Department.

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.

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.



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.

LEASE PURCHASES OR INSTALLMENT PAYMENT PURCHASE

Request for all lease purchases or installment payment purchases must be submitted to Procurement and Disbursements. Purchasing will assist departments in developing lease purchase specifications and determine lease purchase options available.

If a proposed lease or lease-purchase is for information technologies resources, as defined in Texas Government Code, Chapter 2054, the requisition must include written evidence that the Department of Information Resources has approved the university's Biennial Operating Plan. The Procurement and Disbursements Department will determine the cost effectiveness of a lease or lease-purchase. To establish cost effectiveness, the requisitioning department should submit the following information:

CAUTION: All lease contracts regardless of dollar limits must be reviewed by the Director of Contracts and signed by appropriate authority.

All lease-purchases or installment payment purchases in excess of \$1,000,000.00 or having a stated term of longer than five years, are subject to review by the Texas Bond Review Board (Article 717k-7, Sections 181.1 through 181.10 (V.T.C.S.)). Requisitions for such purchases shall be submitted through the Procurement and Disbursement Department.

LEASE OF SPACE

All lease of space requirements for Texas A&M University-Corpus Christi must be submitted to the Procurement and Disbursement Department. Procedures for processing lease of space requirements is dependent on the type of funds used. All lease space contracts must be submitted to TAMU System General Counsel for review and approval.



Exempt Purchases

The following goods or services are exempt from competitive bidding requirements, may be purchased by departments regardless of dollar amount and when applicable must follow TAMUCC "President's Delegation of Authority for Contract Administration." A FAMIS Exempt Table (Screen 306) can also be found on-line.

	Description
1.	Artists (Painters, Sculptors, Compositions, Performers)
2.	Classified Advertising: expenses such as newspaper and magazine, radio, television, billboards, classifieds, yellow page ads, and all other printed advertisements (does not include fees paid to public relations or advertising firms for their services in developing or executing coordinated campaigns or programs)
3.	Conference Expense: expenses related to conference room services such as audio/visual/ network and food services
4.	Freight and Express Delivery Services
5.	Goods and services provided by the Texas Department of Criminal Justice
6.	Goods and services provided TIBH
7.	Group Purchasing Programs (Co-Op)
8.	Hotels & Conference Rooms
9.	Intra-agency payments
10.	Lecturers/Guest Speakers: fees for speakers/lecturers hired on a one-time basis (does not include fees for speakers/lecturers on a continuous basis)
11.	Legislative information services; bill analysis services
12.	Library materials specific for TAMU-CC Library
13.	Membership fees and dues
14.	Moving Expenses: (employee) Institutional funds only
15.	Newspaper and magazine subscriptions direct from the publisher
16.	Performing Artists (Music, Entertainment)
17.	Purchases from Department of Information Resources (DIR)
18.	Purchases from Federal agencies
19.	Purchases from the GSA Contracts
20.	Registration fees and associated books and materials
21.	Rental of exhibit space (such as booths for display purposes)
22.	Services provided by other State of Texas agencies or by other local governments (Inter-agency and Inter-local agreements must be reviewed by the Department of Contract Administration)
23.	Student Travel: expenses related to student travel with the exception of air and bus charter
24.	Utilities
25.	Works of Art



PETTY CASH PURCHASES

Although other methods are in place to handle small purchases, some miscellaneous purchases may be necessary using the University petty cash located at the Business Office. University petty cash may be used for purchases up to \$50.00. The Comptroller or the Procurement and Disbursement Director must approve reimbursement over a \$50.00. For reimbursement, departments are to prepare a [petty reimbursement form](#) and submit it to the Bursar/cashiers with original itemized receipts and valid FAMIS account numbers listed. The University is exempt from paying sales tax. A tax exemption form may be obtained from Accounts Payable. Taxes cannot be reimbursed from state accounts. Membership dues cannot be reimbursed from petty cash.

In some cases, advance of cash is needed when cost is not set until purchase is completed. Advances are allowed up to \$50.00 and receipts must be returned within 24 hours. Failure to do this will result in loss of future petty cash use. All advances greater than \$50.00 require Comptroller or Director of Procurement and Disbursements approval.

PETTY CASH PROCEDURES

The following are not allowed on petty cash reimbursement form:

1. Professional memberships.
2. Student stipends or scholarships.
3. Purchases greater than \$50.00 unless approved by the Director of Procurement and Disbursements or Comptroller.
4. Services or consulting by an individual. These require review of 20 factor test, etc. Any exceptions will require approval from the Director of Procurement and Disbursements or the Comptroller.
5. Travel expenses – employee or student. Reimbursement for laundry expenses related to athletics team travel can be reimbursed as incidentals up to \$20.00.
6. Conference or registration fees.
7. Computer software or computers.
8. Food consumption or business meals on state account (numbers 1xxxxx) or on indirect cost recovery accounts (numbers 225XXX).
9. Business meals (restaurant) that are missing the attendees and purpose of meeting.
10. Business meals (staff only) that is missing Vice President's approval.
11. Food purchases (non-restaurant) that are missing the department's name and purpose.
12. Sales tax on state accounts or indirect cost recovery accounts.
13. Wages or salaries.
14. Birthday, wedding, baby shower food and refreshments. These are not a legitimate business expense.
15. Moving expenses. This must be on a voucher create form and sent to Accounts Payable Department for payment.
16. Gasoline purchases, unless for a University fleet vehicle, machinery or classroom use.
17. Mileage reimbursements (this is travel).
18. No alcohol or flowers on state account or indirect cost recovery account.
19. No voluntary tips unless on a gift or discretionary account.



GENERAL

Petty cash is intended to assist departments in procurement for emergency needs. For example, when a local vendor will not accept a P.O., FAMIS is down, or personnel are off-campus with no access to FAMIS. Every effort should be made to use procurement credit card before using petty cash. The alternative is to get a check issued to the vendor as prepaid expense. For more information on procurement card or getting a check issued, contact the Director of Procurement and Disbursement Department. Using personal funds does not exempt the purchaser from all procurement procedures.

FORMS AND SIGNATURES

1. [Petty cash reimbursement form](#) must be completed correctly with all necessary information.
2. Account names and amount totals for account distribution are required on all forms.
3. Form must be approved by the account responsible manager. (Recipient and Manager cannot be the same person). In this case, signature will be Account Manager's supervisor.
4. Individual must sign for receipt of funds and must be the authorized person on the form to accept the funds.
5. Reimbursement to the account manager requires their supervisor to approve the payment.

PETTY CASH PURCHASES

Valid receipts required are:

1. Original receipts from a vendor. Receipt should not be in TAMU-CC's name. If it is, payment method should be clearly stated and balance due should be zero.
NOTE: Photocopy receipts are not acceptable unless accompanied by a statement certifying where the original receipt resides.
2. Credit card receipt is acceptable for business meals without an itemized meal receipt.
3. Credit card receipt without a name will not be reimbursed until credit card number is confirmed to be the individual's own card. A written statement from the individual confirming card ownership is acceptable.
4. Certified memo and proof of payment is required for all lost receipts, e.g., additional proof of payment such as canceled check or credit card statement showing individual's name would be appreciated.
5. Web page receipt that contains product or service price and acknowledges order and payment is an acceptable receipt.



ADVANCE TO MAKE PURCHASES

Advancement of funds for purchases is acceptable provided:

1. Request in excess of \$50.00 has approval from the Director of Procurement and Disbursements or the Comptroller.
2. Receipts are returned to the Business Office the next business day.
3. Return of unused funds accompany the receipts.

OTHER USES OF PETTY CASH REQUIREMENTS

1. Reimbursement of student personal emergency loans should be accompanied by a memo from the Dean of Student's office.
2. Reimbursement of student athlete host money should have a copy of official recruiting visit form attached.
3. Receipt for parking at the airport to conduct delivery of "another" person (visitor, etc.) is allowed to be reimbursed on using the [Mileage Reimbursement](#) – Under \$100 form.
4. Reimbursement for laundry expenses related to athletics team travel can be reimbursed as incidentals up to \$20.00.

PROCUREMENT CREDIT CARD

The CitiBank MasterCard is issued directly to employees for their use in department purchases. The card allows departments to make small purchases quickly and with less paperwork than through the use of delegated purchase orders. The card may be used for official university business and only in accordance with University procurement credit card policy and procedures. To obtain a card, you must complete an application.

For more information on this process, refer to the [Procurement Card Program Guide](#) or call the University P-Card Coordinator at ext. 2777.



SERVICES

PURCHASE OF SERVICES

The furnishing of skilled or unskilled labor or professional work but does not include professional services covered by the Professional Services Procurement Act, services of an employee of a state agency, consulting services or services by a private consultant as defined by Chapter 454, Acts of the 65th Legislature, Regular Sessions, 1977, and services of public utilities. Rentals are not considered service unless operator is furnished with equipment. Rentals without an operator are handled as any other purchase of equipment.

STATE & LOCAL FUNDS

If the cost is \$5,000.00 or less, bids are not required, and a purchase order may be used. For any purchase of services which exceed \$25,000.00 per year these rules require competitive bidding, or justification explaining why the service is needed and why it cannot be obtained competitively from more than one source. A bid/quote must be obtained if the cost exceeds \$25,000.00 per year.

EQUIPMENT MAINTENANCE/SERVICE AGREEMENTS

Requisitions must be submitted to the Procurement and Disbursements Department for maintenance/service agreements:

- A. When fund orders will exceed \$5,000.00 per year

Requisitions must include the following information and attachments:

- A. Period of time for coverage
(September 1, XXXX through August 31, XXXX)
- B. Make and/or model number of equipment
- C. Serial number
- D. Location of equipment.
- E. Department contact and phone number.



- F. Copy of vendor's proposed Maintenance Agreement if available. (Do Not Sign). Only the Purchasing Director or designee has authority to execute.
- G. If sole source, complete the "[Justification for Sole Source Purchases](#)" form and attach to your requisition.

Payment can only be approved for maintenance/service agreements if the following criteria has been met:

- A. Needs occur during current fiscal year. (September through August). Funds cannot be obligated except for fiscal year. Vendors must pro-rate charges to meet this requirement unless the maintenance is purchased with the equipment as a package deal.
- B. In-formal written bids are received on services in excess of \$25,000.00 per fiscal year.
- C. Documentation is provided for sole source purchases.

PRINTING AND COPYING

Printing is a means of word processing or graphic reproduction of paper documents using a printing press and copying does not reasonably require a quick copy center or high-volume duplication equipment or services. If the estimated price *does not* exceed \$5,000.00, departments are not required to purchase the copy or print job using a competitive process. The University Print Shop is exempt from this rule and can be used without bidding.

PRINTING AND COPYING OVER \$25,000.00

If the estimated price exceeds \$25,000.00, job must be bid out or use the following options:

1. University Print Shop
2. Texas Department of Criminal Justice (TDCJ) Print Shops: address and phone number of the TCI print shops are listed on the CCG website <http://www.ccg.state.tx.us/contracts/printshop/>
3. TXMAS Contracts



INTERAGENCY AGREEMENTS/CONTRACTS

State agencies are authorized by the Texas Interagency Cooperation Act to enter into and perform written contracts with other agencies of the State for furnishing special or technical services. The contract may be for employee services, materials, and/or equipment. Proposals for interagency contracts will be approved by the Director of Contracts or authorized designee, prior to expenditure of funds related to the contract. Written contracts are required only when the total amount of the transaction is expected to exceed \$50,000. In situations where the amount of the transaction is \$50,000 or less, the agencies may use an informal letter of agreement instead of a contract. No contract or informal letter of agreement will be required for transactions totaling \$5,000 or less. Must follow Prompt Payment Act.

INTRA-AGENCY (INTRA-SYSTEM) PURCHASES

An intra-agency purchase occurs when a state agency purchases from another state agency within its own system. Intra-agency purchases usually are made between agencies in a university system that has several branches or locations. Intra-agency purchases may be for any kind of good or service. Intra-agency payments are frequently deposited into a local fund or account by the receiving agency.

EMPLOYEE VS. INDEPENDENT CONTRACTOR DETERMINATION

An **employee** is an individual who performs a service for the university and is working under the direction and control of the university/agency or its employees. Direction and control can be implied to exist when the employer has the right to control *both the results as well as the means and methods of the worker*. (IRS Treasury Regulation 31.3121(d)-1(c)). It is unnecessary for the employer to direct or control the manner which the services are performed; it is sufficient if the employer has the right to do so. The Internal Revenue code provides that employment taxes are imposed on wages received by employees.

An **independent contractor** is an individual engaged by the university to perform a specific function or task and who is free to perform this function or task completely *at the individual's own discretion with regard to means and methods*. No taxes are required to be withheld or paid on compensation disbursed. (IRS Treasury Regulation 31.3401(c)-1(b)). The existence of an agreement or contract helps support the independent contractor position. This document should be specific in what is to be provided and amount or lack of control the university/agency has over the individual.

Factors Distinguishing Employee Status from Independent Contractor Status

Specific factors that are used by the IRS in determining whether an individual is an employee, or an independent contractor are listed below. This listing is commonly referred to as the "20 factors" test. These 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.

For the actual form refer to the Procurement and Disbursements website under Online Forms click on [Twenty-factor Test](#). A worker will generally be deemed an employee if the individual:

1. Worker is required to comply with instructions about when, where, and how work is done.
2. Worker needs to be trained.
3. Worker's tasks are integrated into normal business operations.
4. Worker's services must be personally rendered.
5. Worker is not responsible for hiring, paying, or supervising assistants.
6. Worker has continuing relationship with "employer".
7. Working hours are set by "employer".
8. Worker is required to devote full-time efforts to "employer's" business
9. Worker must perform or execute duties on "employer's" premises.
10. Worker's services must conform to order or sequence set by "employer".
11. Worker is required to submit regular oral or written reports.
12. Worker's payment is based on time spent instead of by the job.
13. Worker is reimbursed for travel and other expenses.
14. Worker is furnished tools, materials, and other equipment by "employer".
15. Worker has no significant investment in facilities (such as an office).
16. Worker has no risk of real economic loss.
17. Worker is not working for more than one "employer" at a time.
18. Worker does not make services available to the general public.
19. Worker is subject to discharge without "employer" penalty -- even if job specifications are met.
20. Worker can terminate relationship with "employer" without worker liability.

Note: "Yes" answers are indicative of employee status per IRS Revenue Ruling 87-41, 1987-1 CB 296.

While there is no set number of "yes" answers which cause a person to become an employee rather than an independent contractor, some IRS auditors will try to classify an individual to employee status with only one yes. If you have more than a few "yes" answers, extreme caution should be taken if independent contractor status is going to be claimed.



IRS Reclassification of Independent Contractors to Employee Status

If the IRS reclassifies a significant number of independent contractors to employee status, the result is a substantial financial impact on the university/agency and the departments that are making these payments. In situations where intentional violations of employment tax rules and regulations are detected (i.e., changing a long-standing employee to an independent contractor in order to "save" payroll taxes and benefit costs), the IRS will assess taxes as follows:

- federal income tax at the rate of 20%; and
- federal social security and Medicare tax assessment of 15.3%.

In some cases, the IRS can levy penalties and interest charges. Even if the taxes have already been paid by the individuals in question, the IRS will still make the tax assessment against the university/agency. It then becomes the responsibility of the university/agency to obtain repayment from the individuals in question (assuming the university/agency paid the tax assessment).

Processing Independent Contractors through Purchasing

If the Twenty-factor test has check marks on the side of Employer Relationship, please process through Payroll. If the Twenty-Factor form has all check marks on the Independent Contract side, please submit the requisition to the Procurement and Disbursements accompanied with the following paperwork by:

1. An electronic departmental requisition must be completed and a letter of agreement or a contract form should be sent as an attachment to the requisition.
2. The "Twenty-factor Test" form for Employer-Employee Relationships vs. Independent Contractor" must be completed if paying vendor/contractor by social security number. This checklist form contains the primary guidelines used in determining whether a worker is an employee or an independent contractor. These factors are to be used to reach the decision. Normally if any single factor is met, the individual will be considered an employee.
3. Contracts for the above services under \$500 do not require written contracts but must have a twenty-factor test submitted for payment and signed by the department head or delegated personnel. Department Heads are authorized to sign contracts up to \$5,000 when submitted on the TAMU-CC [Quote for Services form](#).
4. For contracts/agreements that do not involve monetary value, use the "[Non-Purchase Order Contract/Agreement Approval Form](#)." Note this form is not required if contract is submitted on requisition or limited order.



The twenty-factor checklist form will be reviewed by the Contracts Director or Contracts Manager as to whether payment is approved as an independent contractor/consultant when over \$5,000.00 and signed by the Department Head or his designee when under \$5,000.00. If rejected due to checklist determination being an employee instead of an independent contractor, the department will be required to submit a personal transaction record to the Human Resources to process as an employee.

USE OF PRIVATE CONSULTANTS

Consulting services is defined 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 term does not include service connected with the routine work necessary to the functioning of a component's programs. The key words are studying and advising, rather than performing. A private consultant may be employed only if: (1) there is a substantial need for the consulting services; and (2) the University cannot adequately perform the consulting services with its own personnel or through a contract with another state agency. Consulting services will be procured in accordance with the best value standards in Texas Education Code, Section 51.93345

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, they must go through payroll.

DEFINITION

Professional Services are those services directly related to the professional practices as defined by the Professional Services Procurement Act, (Government Code, Section 2254.002). These include services within the scope of the practices of: accounting, architecture, optometry, medicine, land surveying, and professional engineering. 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.

GUEST SPEAKER/LECTURER SERVICES/PERFORMER

For the purchase of services from a sole source provider, the department shall book a guest speaker/lecturer at the agreed upon speaker fee, travel allowance and expenses. All travel costs are to be considered part of the service and must be entered as a separate line in the purchasing module. The department must submit to Purchasing a requisition describing the services to be provided, the date of the meeting/seminar, and the travel expense allowance. A sole source justification will be submitted in FAMIS on screen 250 and any other documentation that indicates the agreed upon cost of the services, person contacted and all terms and conditions. No sole source is required for pianists, entertainers and performers, music, theater and one-time guest speakers. The Procurement and Disbursements will check for compliance and will process the order. Services for under \$5,000 may be submitted through the limited purchase order screen (240).



For the purchase of services that may be provided by more than one source (competitive bid), the department will submit to the Procurement and Disbursements a requisition describing the service to be provided, date of meeting/seminar, and travel allowance and expenses. (**Note:** pianist, entertainers, performers, theaters, and one time guest speakers are exempt from the bidding process.) All travel costs are to be considered as part of the service and must be entered as a separate line item. A list of suggested sources should be included. Purchasing will obtain bids and issue the purchase order. Refer to the approved TAMU-CC [Quote for Services Form](#) if the person does not have a contract/agreement to submit. Department Heads have authority to sign a contract up to \$5,000.00.

HONORARIA

An honorarium generally involves a payment that is made to a person in exchange for services for which no specific fees were required or requested. Honorariums are considered taxable compensation if the honorarium would not have been paid "but for" the services rendered, i.e. a speech, lecture. If, however, the honorarium is paid directly to the individual's employer and *never* to the individual, the individual would not be required to include the honorarium in gross income because the payment did not personally benefit the individual. For example, a horticulture professor delivers a speech on a topic pertaining to his expertise at a local convention without charge. In appreciation of the professor's speech, the sponsoring organization gives the professor a cash honorarium. The IRS would most likely consider the honorarium to be taxable compensation on the grounds that the honorarium would not have been paid "but for" the services rendered. If, however, the honorarium was paid directly to the Horticulture Department and never offered to the professor, the honorarium would not be included in taxable compensation.

ADVERTISING/PUBLIC RELATIONS (TO INCLUDE TELEVISION, RADIO, ETC)

For the purchase of services from a sole source provider, the department is to place the ad at an agreed upon cost. All requisitions must be approved by Marketing and Communications. The department will submit to the Procurement and Disbursements department a requisition describing services to be provided, date of advertisement and copy of the ad. The department will submit a sole source justification and any documentation that indicates the agreed upon cost of the service, person contacted and all terms and conditions. Purchasing will check for compliance and process the order.

For the purchase of services that may be provided by more than one source (competitive bid), the department will submit to the Procurement and Disbursements department a requisition describing the service to be provided. All travel costs are to be considered as part of the service. Include list of suggested sources. Purchasing will obtain bids and issue the purchase order.



INVOICING

PROMPT PAYMENT LAW

The Comptroller's office automatically computes and pay interest owed to vendors for late payments processed through the Uniform Statewide Accounting System (USAS) that are covered by the prompt payment law. During the 75th Regular Session, the legislature passed several key amendments to Chapter 2251, Government Code (the "prompt payment law"). The Prompt Payment Law has always made a state agency liable for interest accruing on any payment that becomes overdue. The Prompt Payment Law now requires the Comptroller's office to pay that interest automatically at the same time the principal is paid.

REVIEW OF THE PROMPT PAYMENT AND PAYMENT SCHEDULING

Payment due dates should be well documented including:

- (1) Date that the invoice is first received.
- (2) The date goods were received, or services were completed in accordance with the contract.
- (3) All date surrounding a dispute.
- (4) Invoice must be mailed to the person/department that is stated on the Purchase Order.

Interest on overdue payment:

- (1) A payment begins to accrue interest on the date the payment is overdue.
- (2) An overdue payment bears interest. The interest calculation is one percentage point higher than the prime rate published in the Wall Street Journal on the first business day of July.

Disputes between state agencies and vendor.

A state agency that believes an invoice from a vendor is erroneous shall notify the vendor not later than the 21st day after the date the agency receives the invoice.



Example of how to calculate interest:

This is an example of how to calculate interest under the prompt payment law. In this example, the following assumptions apply.

- A state agency signs a contract with a vendor on September 10, XXXX, to purchase goods from the vendor.
- The goods are received on September 24, XXXX.
- The agency receives the vendors invoice on October 6, XXXX.
- The agency payment is post marked December 9, XXXX.
- The amount of the agency payment is \$500.00

- (1) Start counting the 30 days beginning on the day after the agency received the invoice.
- (2) Count the day after the due date and end counting on the date the payment is postmarked.
- (3) Use formula (# of days late/365) X (Interest Rate) X (Amount of Payment) = Interest due.

Example: (34 days/365 day per year) X (7.25% or .0725 Interest Rate) X (\$500 Amount of payment) = \$3.38 Interest Due

NOTE: The prompt payment law states that the clock starts running (on the time to pay a vendor) on the latter of an invoice being received or goods being received in accordance with the contract under which they were purchased. (On purchase orders, payment is due directly upon agency receipt of those goods, then you must consider that the date to goods are received at your agency is the date that must be recorded as the date that they were received or put on purchase order that there will be a period of time or process to verify that the equipment is functioning.



Early Payment Discounts

An early payment discount (also referred to as a cash discount) is a discount offered to the purchaser **if the payment is made within a specified period.** Commission Rule 1 TAC 113.6(a)(11) states: "Discounts will **not** be used in determining the low bid. All cash discounts offered will be taken if earned".

This rule extends to all types of purchasing including term contract, open market, and delegated purchases. The Texas Procurement and Support Services (TPASS) urges all agencies to pay invoices promptly and earn all discounts available.

Excess Obligations Prohibited

The General Appropriation Bill, approved each biennium by the Texas Legislature, contains the following provision:

- No department or agency specified in this Act shall incur an obligation in excess of the amounts appropriated to it for the respective objects or purposes named. As a specific exemption to this provision the TPASS may determine that a proposed installment purchase arrangement is cost effective and certify this finding in response to an agency request. Such a finding may be made for obligations incurred for the purchase or lease of automated information system equipment only if such department or agency has filed with the Department of Information Resources (DIR) a long-range automated information system plan and such plan has been approved by DIR. In the event this provision is violated, the Comptroller shall deduct an amount or amounts equivalent to such over-obligation from the salary or other compensation due the responsible disbursing or requisitioning officer or employee, and apply the amount to the payment of the obligation. This provision is specified pursuant to Section 10, Article XVI, of the Constitution of Texas.

Excess obligations apply to those purchases in which the purchase or service extends beyond a biennium. Any equipment lease, lease with option to buy, lease purchase, installment purchase, or any other type of purchase which incurs obligations beyond the current appropriations act is strictly prohibited by the Texas Constitution, unless the obligation is expressly contingent upon continued legislative appropriations. The following procedures and programs are constitutional:

- any equipment lease, lease with option to buy, lease purchase, or installment purchase made through the Texas Public Finance Authority's (TPFA) master lease program; or
- an installment purchase in which the agency requests the TPASS to certify the purchase beyond the current biennium. The TPASS considers an installment purchase to be any purchase in which installment payments are made and there is an opportunity for the title to pass between the buyer and seller,



- including lease purchases. These purchases must contain a clause which enables the state to cancel the agreement at its option, or upon a failure of appropriations so that no unconstitutional obligations are incurred.

For the University to make the required certification, the following information must be included with the requisition:

- a statement containing the total dollar amount of anticipated interest charges over the life of the purchase to the extent it can be determined;
- a statement comparing the anticipated cost savings to 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;
- a statement affirming that the agency expects to be able to make payments beyond the current biennium without having to rely on an increased level of general revenue appropriations; and
- a letter stating, "In spite of the additional interest cost to the State, this purchase could not be accomplished as economically through any other available means. Therefore, the lease (or installment) purchase of this equipment is the most cost-effective means of obtaining the needed equipment". Note: This letter needs to be signed by the Procurement Director or higher authority in the requesting agency.

Bond Review Board

All lease or installment purchases with a principal value of \$250,000 or a term of more than five years must have prior written approval from the Bond Review Board submitted with the requisition. Excess obligation documentation procedures are still required if the purchase is not being financed through the TPFA's master lease program.



**CENTRAL RECEIVING AND
SURPLUS PROPERTY**

SERVICES

- a. Receiving Shipment Procedures
- b. Guidelines for Returning Merchandise
- c. Tracking Shipments
- d. Surplus Procedures for Controlled and Non-Controlled Items
- e. Records Retention

Should you have any questions about Central Receiving, please contact us at one of following numbers.

Christopher Lopez	825-2209	Warehouse Supervisor	christopher.lopez@tamucc.edu
Vince Lopez	825-2094	Warehouse Operations Specialist	vince.lopez@tamucc.edu
Patrick Toscano	825-5727	Warehouse Operations Specialist	patrick.toscano@tamucc.edu

Central Receiving Website	https://www.tamucc.edu/finance-and-administration/financial-services/inventory/central-receiving
---------------------------	---



CENTRAL RECEIVING

Central Receiving is responsible for receipt and redistribution of in-bound freight and parcels to Texas A&M University-Corpus Christi. The purpose of Central Receiving Warehouse is to provide a central point of delivery for goods purchased by the University to facilitate the efficient delivery by carriers. Central Receiving personnel will inspect and deliver all freight and parcels to specified campus addresses and will usually do so within 1-3 days of arriving at the Central Receiving Warehouse.

All Purchase Orders issued to vendors for goods shall provide instructions for shipment to be delivered to the Central Receiving Warehouse. However, goods that meet the definition of a hazardous material may be delivered directly to the recipient department.

Packages/shipments received that do not have a purchase order or contact information associated with them are referenced back through the shipping company for information to the department or person who placed the original order with the vendor. If we are not able to obtain information from the vendor, we will contact the Purchasing Department to ask if there are any open contracts for purchasing with the vendor listed with the package. Other research and means may be necessary to help facilitate the final delivery to the department or end users for delivery.

Procedures - Receiving Shipments

With the use of SCLogic, a package tracking software, Central Receiving will monitor and control the flow of in-bound freight and parcels as they enter, move through, and exit central receiving warehouse. For tracking purposes, Central Receiving will affix a label to each shipment. Upon delivery to department, a hand-held data collection device is used to capture signature of delivery.

1. Incoming shipments will be received and inspected by Central Receiving personnel immediately after receipt.
 - a. Federal Express, Lone Star Overnight, UPS next day, DHL, refrigerated and perishable parcels will be delivered as soon as possible and have priority.
 - b. Purchase orders created by Purchasing or Departments are processed and delivered as they arrive at Central Receiving. Non-purchase parcels will deliver as soon as possible.
 - c. Procurement Credit Card orders must have proper information on shipping label or delivery receipt. Example PCC-DEPT-Last name of cardholder (i.e., PCC-PURC-DAVILA)
2. The receiving inspection performed will include the following:
 - a. A careful comparison of the number of pieces received with the number listed on the freight bill.
 - b. Examination of the cartons for any evidence of damage.
 - c. Examination of the contents for obvious damage if cartons show any evidence of possible damage.
3. Notation of any shortage or damage will be made on the freight bill before it is signed, and the carrier released from Central Receiving. (F9 notes on receiving report.)



4. If the receiving inspection has revealed any reason to suspect concealed damage, the requisitioning department will be notified. Qualified personnel will arrange for a thorough examination of the equipment if needed.
5. If either obvious or concealed damage is discovered in the inspection, Central Receiving personnel will arrange for a damage inspection report to be completed by the carrier.
6. If concealed damages are detected after the shipment has been delivered by Central Receiving, departments should notify Purchasing and Central Receiving immediately. Remember concealed damage claims must be filed with the carrier within 15 days of receipt of the freight in the Central Receiving Warehouse.
7. The Central Receiving personnel will enter into FAMIS the preliminary receiving information (Screen 320). Information will include number of pieces, carrier, and date received. Please note Central Receiving only verifies the number of boxes received and not the contents.
8. **Delivery Procedures**

Central Receiving will deliver shipments to Department. Central Receiving retrieves all the pertinent information from the shipper's label and is entered into the tracking software hand-held device. This information includes the shipper's tracking number, Delivery Courier, Date Received, Contact Name, Department, Vendor, Purchase order Number or Comments. The shipper's number is the tracking number assigned by the original shipping department or courier service. The delivery carrier is the original shipper of the package who delivered to Central Receiving Warehouse. Date received is the date package was received into Central Receiving warehouse. The contact name is the name listed on the purchase order or the shipping address. It is the goal of Central Receiving to deliver packages within two to three business days. Anything beyond three days is out of compliance for Central Receiving. Delivery of packages is delayed whenever the Purchase Order number is not properly displayed on the outside of the package. Central Receiving makes a copy of the packing list attached to the package when available or provided by the vendor. When delivered to the department, and as customary to delivery courier services, someone must sign for the package. Department personnel receiving delivered shipment will sign hand-held device acknowledging receipt of shipment. Pallet deliveries will be scheduled and coordinated with departments.
9. The requisition department is responsible for making final inspection of their merchandise. Completion of the receiving process is the responsibility of the department, which includes accepting line items on Screen 321 and closing receiving report on Screen 326.
10. Refer to invoicing section for prompt payment law guidelines. Failure to complete receiving process of merchandise/services within 3 to 5 days will result in late charges being paid from department accounts.
11. Whenever damage is involved, Central Receiving will notify the appropriate Buyer in Purchasing. The Buyer will promptly notify the vendor of the damage and will provide the vendor with the necessary information to support a claim against the carrier. It will be the responsibility of the vendor to settle damage claims with carrier whenever shipments are made "F.O.B. Destination".



Guidelines for Merchandise Returns/Repair

When it is necessary to return an item or ship an item for repair a return authorization and a call tag must be initiated. Vendor is responsible for calls tag because of incorrect item, duplicate item, or damage in transit. Department or Purchasing is responsible for requesting return authorization and a call tag issued if the return is no fault to vendor.

1. Determine how item(s) was purchased:
 - If purchased with a "P" prefix, contact your buyer. Procurement Department is responsible for initiating and monitoring purchase order.
 - If purchased with an "L" prefix or Procurement Card (P-Card) , the department is responsible for initiating the return
2. Departments will be responsible for having their packages properly packaged and wrapped with a correct address label attached.
3. Maximum weight per package: 150 lbs
4. Maximum size per package:
 - 108" maximum length, with 130" maximum combined length and girth
 - Packages less than 30 lbs but between 84 and 130" in combined length and girth are considered an oversize package.
5. Carriers do not deliver to P.O. Box addresses.
6. Shipments from Central Receiving only to the 48 contiguous States.
7. C.O.D. shipments cannot be arranged through Central Receiving.
8. Hazardous chemicals or radioactive materials cannot be shipped through Central Receiving.
9. Departments must provide a complete description of items being shipped. Departments must be able to document the value of the item shipped should the need arise to file a damage or loss claim.
10. Central Receiving will not be responsible for damages or loss incurred during package shipment but will assist the sender in filing a claim with the private carrier.

If the department or Purchasing is returning merchandise and paying shipping charges, the department is responsible for packing the merchandise for shipping. Central Receiving does not provide packing materials.



Tracking Shipments

Central Receiving can track only those shipments delivered to the warehouse. If shipment has not been delivered to Central Receiving, call the vendor responsible for the shipment and ask for the name of the courier/freight company name, shipment's tracking number and/or proof of delivery. The following web sites can help in tracking packages by the three main carriers who deliver to Central Receiving.

www.fedex.com

www.ups.com

www.iso.com

1. Tracking Incoming Shipments

If shipment is for a purchase order with a "P" prefix departments can call their department's buyer. For all other shipments or packages please provide the following information to properly track the delivery when receiving department shows no record of shipment.

Try to obtain Proof of Delivery (POD) or tracking number from courier.

Fax or e-mail POD (Proof of Delivery) information to central receiving.

If POD (Proof of Delivery) or tracking number cannot be obtained, fax or e-mail enough information as possible.

Retention Records Storage

- University records can be stored at Central Receiving.
- Departments must box and label records. No boxes will be accepted without proper labeling. [Records Retention label](#) can be found on the Purchasing website, Central Receiving under forms.
- Label will consist of the following information. Department, description of contents, point of contact and extension, retention period, and disposal date. Each box should have a records retention label taped to it for identification purposes with a [Records Storage Manifest](#) provided to Central Receiving for recordkeeping. A duplicate copy of the manifest should be placed inside the box(es).
- To initiate transfer of records from your department to Central Receiving, send an email to Central Receiving Warehouse Supervisor or Warehouse Operations Specialist with quantity, location, point of contact and account number for Facilities labor charges.
- When disposal date approaches, Central Receiving warehouse staff will notify department. At that time, Department must complete [Records Destruction Form](#). Submit form to Chris Shupala, Records Administrator, to get destruction approval. Records Destruction Form can be found on the Purchasing website, Central Receiving under forms. Once approved, send form to Warehouse Supervisor or Warehouse Operations Specialist to prepare the records for destruction.



- Central Receiving warehouse staff will provide department with an estimate of shredding charges and will request an account number.
- Upon destruction of records, department will receive a copy of the Records Destruction Form with warehouse supervisor's signature of completion.

TO RESEARCH RECORDS:

Departments must call or e-mail warehouse supervisor to schedule a time to research records stored in the warehouse. This is due to receiving operations and records that may be stored on racks.



SURPLUS PROPERTY GUIDELINES

1. Surplus Property

Surplus property is any property which is in excess of need of the University and not required for its foreseeable needs. Surplus property may be new or used and must have additional useful life. Included in the definition of surplus properties are the following:

Controlled Surplus Items: include, but not limited to, computers, fax machines, cameras, projectors, golf carts or any items that are on department inventory. These items should have assigned fixed asset tags.

Non-Controlled Surplus Items: include, but not limited to, desks, filing cabinets, chairs, printers or any items that are not on department inventory. These items will not have assigned fixed asset tag.

Capitalized Surplus Items: include, but not limited to, motor vehicles, classroom teaching equipment, medical, laboratory, and marine equipment.

Salvage Property: property through use, time or accident is so damaged that it has no value for the purpose for which it was originally intended. Items could include golf carts and mowing equipment.

Scrap - consist of recyclable materials left over from product manufacturing and consumption, such as parts of vehicles, building supplies and surplus materials. Items could include boat trailers; gym equipment; and outdoor furniture.

Method of Disposal

Items of surplus/salvage that are not transferrable between departments must be transferred to Central Receiving Warehouse. Departments must create a Transfer Department Property (TDP) in Canopy <https://canopy.tamus.edu/Modules/FFX/TransferCreate.aspx> and route for approval prior to making transfer. Based on condition of the property, Central Receiving Supervisor will determine whether:

- (1) To dispose the property by auction, competitive bid or direct sale pursuant to the provisions of Chapter 2175, Government Code, *Surplus and Salvage Property*; or
- (2) To salvage or scrap the property.

The following guidelines will be used when disposing surplus property:

1. Central Receiving will publicize through the Surplus HigherEd Instruction Property (SHIP) website all material or equipment that can be used for instructional purpose by a public school/school district, or an assistance organization designated by the school district at a price for consideration or not for consideration, if determined appropriate. The posting will remain on the web site for twelve (12) days.
2. Preference will first be given to transferring property directly to a public school/school district or to an assistance organization designated by the school district before disposing the property in another matter.
A transfer to another state agency or TAMUS member has priority over any other type of transfer.
3. If no state agency, political subdivision, or assistance organization desires to receive property as posted on SHIP, Central Receiving may dispose the property, with exception of data processing equipment, in a method that is most advantageous and provides the best value to Texas A&M University-Corpus Christi (TAMU-CC).



4. TAMU-CC may donate to an assistance organization any surplus or salvage property that is:
 - not disposed of under Item 1
 - has no resale value

If unsuccessful disposing surplus items:

1. Items will be publicized on an internet auction website, [The Public Surplus Group website](#) or through a sealed surplus bid sale.
2. When offered as a sealed surplus bid sale, Central Receiving will be responsible for posting legal notice, preparing bid listing, and notifying high bidders. Legal notice in the local newspaper will be posted the weekend prior to the sale.
3. A notice will be placed in campus announcement on the university web site.
4. All items will be sold as is and individual having the highest bid will be responsible for removing items from campus.

Disposing Item of No Value

1. If a surplus item has no value or is in extremely poor condition, a picture should be taken, scanned and emailed to the Warehouse Supervisor.
2. The Warehouse Supervisor will make the determination as to how to dispose the item.
3. Scanned pictures of controlled and non-controlled surplus items destroyed or disposed will be kept by the Warehouse Supervisor for recordkeeping.

Disposing Item of Value

1. Department Accountable Property Officer must prepare a TDP and submit to Central Receiving to begin the process.
2. The Warehouse Supervisor may reserve the right to inspect surplus items, especially large requests, prior to turn-in due to space availability. Due to daily receiving operations, Central Receiving will only accept delivery of surplus items Monday through Friday between 8:30 a.m. through 10:00 a.m. and 1:00 p.m. through 4:00 p.m.
3. Deliveries will not be accepted between the hours of 10:00 a.m. and 1:00 p.m. when Central Receiving is receiving incoming daily freights from commercial truck firms (UPS, FedEx, freight carriers, etc.).
4. Deliveries by departments not using Facility Services should be done before 10:00 a.m. or after 1:00 p.m.
5. Facilities Services will use work orders to pick up identified surplus items. Facilities Services will deliver the surplus items to Central Receiving and unload them at the staging area located inside the Central Receiving Warehouse either at the front or back bays.
6. Facilities Services will charge labor to department account by Interdepartmental Transfer (IDT) when work order is complete.
7. It is highly recommended to use Facilities Services to transport surplus items to lessen risk of injury and/or damages.
8. Surplus property will be available for viewing and on first come basis. Contact Central Receiving to schedule time to view items.



2. Data Processing Equipment

Equipment defined by Texas Government Code, §2054.003 as information technology equipment and related services designed for the automated storage, manipulation, and retrieval of data by electronic or mechanical means include:

1. 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.
2. All related services, including feasibility studies; systems design; software development; and time-sharing services provided by state employees or others; and
3. The programs and routines used to employ and control the capabilities of data processing hardware, including operating systems; compilers; assemblers; utilities, library routines, maintenance routines, applications, and computer networking programs.

The following guidelines will be used when disposing data processing equipment

- (1) TAMU-CC will determine either to post data processing equipment on SHIP website or transfer to:
 - (a) A school district or an open-enrollment charter school in the state under Subchapter C, Chapter 32, of the Education Code.
 - (b) An assistance organization specified by the school district.
 - (c) The Texas Department of Criminal Justice, or
 - (d) Donate to a public or private hospital located in a rural county.
- (2) TAMU-CC may not collect a fee or other reimbursement from the district; school; an assistance organization, or the Texas Department of Criminal Justice for surplus or salvage data processing equipment transferred under this section.

When a computer equipment is transferred to Central Receiving, a department will acknowledge on the TDP form that all data has been removed from the hard drive.

3. Proceeds of Surplus Sales

The proceeds from the sale of any surplus or salvage property, less the costs of advertising; selling; auctioneer services; if any, and any fee collected shall be deposited into a general surplus account for Central Receiving department that will pay for storage units, supplies and replacement of warehouse and office equipment.

4. Surplus Property Fees

A department with surplus asset over \$5,000 will be assessed a 7.5% fee from the sale to cover costs associated with the sale of the property. The fee will be reviewed annually and any changes will be approved by the Executive Vice President for Finance & Administration.

5. Request by Faculty to Transfer Equipment to another University

(a) In an event a professor requests a transfer of an equipment to another university, a department head or dean may, in writing, request authority from the Provost and Executive Vice President of Finance & Administration to make the transfer to the designated institution. The letter should include the following:



- (1) Professor's name
- (2) Department
- (3) Transferring Institution
- (4) Purpose or benefit of transfer
- (5) Account number used to purchase equipment
- (6) Method of removal
- (7) Quantity of Items
- (8) Description of equipment
- (9) Inventory number
- (10) Acquisition date or years possessed
- (11) Itemized original cost
- (12) Proposed itemized cost offered by purchasing institution

Authorization

- (b) Terms and Conditions:
- (1) The university department requesting authorization to transfer equipment will have to submit TDP to Central Receiving for each item prior to transfer of equipment.
 - (2) The institution receiving equipment will make payment to the university/Central Receiving before such equipment is removed from TAMU-CC campus.
 - (3) Proceeds from sale of equipment will be deposited into department's account.

Transfer

Approved documentation by the Provost or Executive VP of Finance & Administration must be submitted to Director of Contracts & Property for final transfer of equipment to receiving institution in the State Property Accounting (SPA) database.

Cannibalization of Equipment

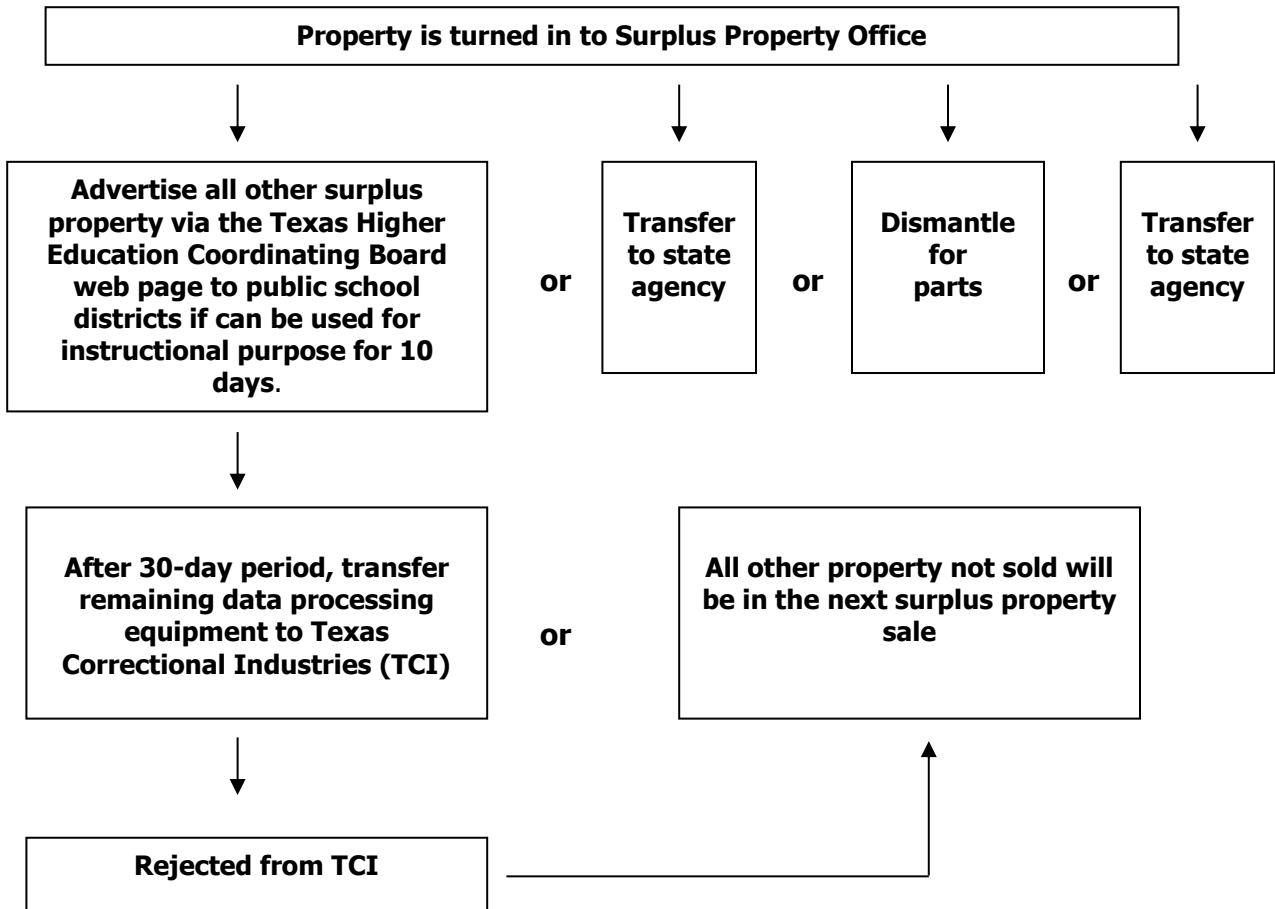
Cannibalization is defined as the authorized removal of components from one item of property for installation in another item of property to meet specific requirement and to return the second item to service. TAMU-CC has the authority to allow cannibalization of equipment and to determine what types of equipment are most frequently cannibalized.

Types of equipment most frequently cannibalized include: Computers; printers; televisions; projectors; microscopes; golf carts; vehicles; and grounds equipment.

It is sometimes beneficial for TAMU-CC to use components of worn out or obsolete equipment to rebuild or repair a similar item rather than transfer the equipment to Central Receiving. Approval to cannibalize an inventory item should be obtained in advance from the Property Office by submitting a Property Deletion Form to inventory@tamucc.edu. The scope of cannibalization will be limited to internal components only. All remaining items must be sent to surplus.



**INTERNAL FLOW CHART FOR
DISPOSITION OF SURPLUS/SALVAGE PROPERTY**
Texas Government Code 2175, Surplus and Salvage Property





III.
SYSTEM REGULATION,
and
PURCHASING PROCEDURES



**25.07.03
SYSTEM REGULATION**

25.07.03 Acquisition of Goods and/or Services

Revised February 20, 2018

Next Scheduled Review: February 20, 2023

Regulation Summary

This regulation establishes purchasing authority for The Texas A&M University System (system) members. This regulation allows members to procure goods and/or services according to sound business practices and best value and to comply with applicable state of Texas statutes relating to the Historically Underutilized Business (HUB) Program and purchasing from persons with disabilities.

Regulation

1. ADMINISTRATION

- 1.1 Each member shall promulgate guidelines as necessary to facilitate and expedite the acquisition of goods and/or services as deemed to be in the best interest of the member and in accordance with sound business practices and applicable state laws.
- 1.2 The primary procurement officer (PPO), who has been delegated procurement authority by the member's chief executive officer (CEO), has the authority to delegate specific procurement authority to individual(s) or departments for the acquisition of goods and/or services, and shall establish a maximum dollar limit for those individual(s) or departments to acquire goods and/or services. The PPO may withdraw delegated procurement authority in whole or in part.
- 1.3 The PPO has the discretion to exempt the acquisition of any goods and/or services within his/her delegated purchasing authority from the established guidelines. The PPO shall keep a list of the types of goods and/or services that are exempt.
- 1.4 In addition to and in conjunction with System Policy 07.01, Ethics, system employees who perform purchasing functions under the delegated authority granted by the PPO shall adhere to the same ethical standards established by the PPO and required of the PPO employees and shall avoid all conflicts of interest in their procurement activities.



2. ACQUISITION (OR PROCUREMENT) OF GOODS AND/OR SERVICES

2.1 Best Value

Members shall acquire goods and/or services through best value. In determining best value, the members may consider the best value methods and factors as identified in Sections 51.9335 and 51.941 of the Education Code, as well as the system Contract Management Handbook.

2.2 The HUB Program and the Purchase of Products and Services from People with Disabilities

All acquired goods and/or services shall comply with Chapter 2161, Texas Government Code, and System Policy 25.06, Participation by Historically Underutilized Business, relating to making a good faith effort to procure goods and/or services with historically underutilized businesses, and Chapter 122, Human Resource Code, relating to the purchases of products and services from people with disabilities.

2.3 Applicable Statutes, Codes, Policies, and Regulations

Each system member is responsible for identifying and complying with applicable statutes, codes, policies and regulations when acquiring goods and/or services.

Related Statutes, Policies, or Requirements

[Texas Education Code §51.9335 – Acquisition of Goods and Services](#)

[Texas Education Code §51.9337-Purchasing Authority Conditional; Required Standards](#)

[Texas Government Code Chapter 2161 – Historically Underutilized Businesses](#)

[Texas Workforce Commission’s Purchasing from People with Disabilities Program](#)

[System Policy 07.01, Ethics](#)

[System Policy 25.06, Participation by Historically Underutilized Business](#)

[System Policy 25.07, Contract Administration](#)

[System Regulation 41.01.01, Real Property](#)

[System Policy 51.04, Delegations of Authority on Construction Projects](#)

This October 2009 version of this system regulation supersedes:
System Regulation *25.99.02, Component Purchasing Authority*



Definitions

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

Exempt purchase – a purchase of goods or services that is not subject to the standard competitive process. These items are available only under special market conditions which may preclude them from competitive bidding or from standard bid procedures.

Historically Underutilized Business – – a for-profit entity that is certified by the state of Texas; has not exceeded the size standards prescribed by [34 Tex. Admin. Code § 20.23](#); has its principal place of business in Texas; and is at least 51% owned by an Asian Pacific American, Black American, Hispanic American, Native American, American woman and/or Service Disabled Veteran who resides in Texas and actively participates in the control, operation and management of the entity's affairs. See 34 Tex. Admin. Code § 20.11(11).

Primary Procurement Officer – employee who is delegated procurement authority by the system member CEO and has the responsibility for managing all procurement activities.

Member Rule Requirements

A rule is not required to supplement this regulation.

Contact Office

Office of HUB & Procurement Programs
(979) 458-6410



25.07.03.C1.01

PURCHASING PROCEDURES

25.07.03.C1.01 – Purchasing Procedures

This procedure is developed to provide structure and form to the procurement process for the university and to comply with Texas Education Code 51.9335 and [Texas A&M System Regulation 25.07.03](#).



IV. GENERAL PURCHASING INFORMATION FOR BUYERS

Competitive Specification Preparation

A specification is a description of a product or service a purchaser seeks to procure, and consequently, a description of what a bidder must offer to be considered for an award. Specifications, then, are the primary means of communication between an agency and a vendor.

Specifications control the:

- quality level of the product;
- amount of competition;
- suitability of the product or service for the job to be done; and
- method of evaluation used in making an award and in determining the lowest and best bid for the purchase.

Characteristics of an Effective Specification:

- **SIMPLE:** Avoid unnecessary detail but be complete enough to ensure that requirements will satisfy their intended purpose.
- **CLEAR:** Use terminology that is understandable to the agency and bidders. Use correct spelling and appropriate sentence structure to eliminate confusion. Avoid legalese type language whenever possible.
- **ACCURATE:** Use units of measure that are compatible with industry standards. All quantities and packing requirements should be clearly identified.
- **COMPETITIVE:** Identify at least two commercially available brands, makes, or models (whenever possible) that will satisfy the intended purpose. Avoid unneeded "extras" that could reduce or eliminate competition and increase costs.
- **FLEXIBLE:** Avoid totally inflexible specifications which prevent the acceptance of a bid that could offer greater performance for fewer dollars.

A bidder or contract participant may provide free technical assistance to the University. The University may not accept a bid or award a contract that includes proposed financial participation by a person who received compensation from the agency to participate in the preparation of the specifications or request for proposals on which the bid or contract is based.



These specifications should provide a clear and accurate description of the requirements for the merchandise or service to be purchased.

Specifications must be clear and understandable to the bidders. They must permit competition between products of equal quality.

Descriptions may include a statement regarding the qualitative nature of the purchase and should identify minimum essential characteristics and standards to which the purchase must conform if it is to satisfy its intended use. "Performance" requirements should be identified. "Design" or "construction" specifications may be written where minimum mandatory design characteristics are appropriate.

Multiple Award Contract Procedure

- A. The University may use the multiple award contract procedure when a determination is made in the best interest of the university. In arriving at a determination, the Procurement and Disbursements Director or designee will consider the following factors:
 - (1) the quality, availability, and reliability of the supplies, materials, equipment, or service and their adaptability to the particular use required;
 - (2) the ability, capacity, and skill of the bidder;
 - (3) the sufficiency of the bidder's financial resources;
 - (4) the bidder's ability to provide maintenance, repair parts, and service;
 - (5) compatibility with existing equipment;
 - (6) the need for flexibility in evaluating new products on a large scale before becoming contractually committed; and
 - (7) any other relevant factors.

- B. When the university finds that one or more of the above factors is important to the contract and that objective specifications for those factors cannot be prepared, the university may determine that the multiple award contract procedure will serve the best interest of the university.

- C. Bids on multiple award invitations will be evaluated as are other bids under the Bid Evaluation and Award section, except that more than one award may be made. The basis for determining awards shall be reasonably related to the factors relied upon in using the multiple award contract procedure and shall be disclosed in the bid invitation.



Preferences

A. Claiming a preference. To claim a preference, a bidder shall mark the appropriate box on the face of the bid invitation. If the appropriate box is not marked, a preference will not be granted unless other documents included in the bid show a right to the preference.

B. Preferences.

1. Texas resident bidders.

- (a.) A Texas resident bidder shall be given preference over a nonresident bidder when the cost, and quality of the goods or services are equal.
- (b.) The university may award a contract to a nonresident bidder only if its bid is lower than the lowest bid submitted by a responsible Texas resident bidder by the same amount that a Texas resident bidder would be required to underbid the nonresident bidder to obtain a comparable contract in the state where the nonresident's principal place of business is located. In evaluating a bid of a nonresident bidder, an amount will be added equal to the amount a Texas resident bidder would be required to underbid a nonresident bidder to obtain a comparable contract in the state where the nonresident bidder's principal place of business is located, otherwise known as reciprocal preference. After the amount is added, an award may be made to the nonresident bidder if it is determined to have the lowest price and best bid. The amount added is for evaluation purposes only; in no event shall an amount be awarded in excess of the amount actually bid.

2. Texas and United States products.

- (a.) Supplies, materials, or equipment produced in Texas shall be given preference over comparable goods produced outside Texas when the cost and quality of the goods are equal. Supplies, materials, and equipment are considered to be produced in Texas if they are manufactured in Texas; "manufactured" does not include the work of packaging or repackaging.
- (b.) Agricultural products grown in Texas shall be given preference over comparable products grown outside Texas when the cost and quality of the goods are equal. Agricultural products are considered grown in Texas if they contain any amount grown in Texas. In case of tie bids between agricultural products claiming the preference, the bidder whose product contains the greatest percentage of the product grown in Texas will prevail. For purposes of this preference, agricultural products include, among other things, textiles and fiber products, processed and unprocessed foods, feed, lumber and forestry products, live animals, plants, flowers, and nursery stock.



- (c.) Supplies, materials, equipment, or agricultural products produced or grown in the United States shall be given preference over foreign products when the cost and quality are equal. Supplies, materials, equipment, or agricultural products produced or grown in Texas shall be given preference over United States products when the cost and quality are equal.
3. Products of persons with mental or physical disabilities. A preference shall be given to manufactured products of workshops, organizations, or corporations whose primary purpose is training and employing persons with mental or physical disabilities, if the products meet state specifications as to quantity, quality, and price. Competitive bids are not required for purchases of blind-made goods or services offered as a result of efforts by the Texas Council on Purchasing from People with Disabilities, if the goods or services meet state specifications as to quantity, quality, price, delivery, life cycle costs, and costs no more than the fair market price of similar items.
 4. Recycled, remanufactured or environmentally sensitive products. A preference shall be given to recycled, remanufactured or environmentally sensitive products if the products meet state specifications as to quantity, quality, price, and defined best value factors.
 5. Energy efficient products. A preference shall be given to energy efficient products if they meet state requirements as to quantity and quality and are equal to or less than the cost of other products offered. This preference shall be applied by evaluating the energy use of the products offered and considering the costs of such energy use over the expected life of the equipment. The methodology for evaluating energy use and costs shall be included in the bid invitation.
 6. Rubberized asphalt paving material. A preference shall be given to rubberized asphalt paving material made from scrap tires by a facility in this state if the cost, as determined by life-cycle cost benefit analysis, does not exceed the bid cost of alternative paving materials by more than 15%.
 7. Recycled motor oil and lubricants. A preference shall be given to motor oils and lubricants that contain at least 25% recycled oil if the quality is comparable and the cost is equal to or less than new oil and lubricants.



Bid Submission, Bid Opening, and Tabulation

- A. Bid submission
1. Prospective bidders may request specific bid invitations from Purchasing at any time prior to the bid opening.
 2. A bidder may withdraw its bid by written request at any time prior to the bid opening date and hour.
 3. A bid received after the time and date established by the bid invitation is a late bid and will not be considered.
 4. A bid received which does not contain adequate bid identification information on the outside of the envelope will be opened to obtain such information and will then be processed as any other bid. If the incorrect information on the envelope causes the bid not to be considered in making an award, the bid will be considered invalid and rejected.
 5. Bids may be submitted by facsimile (fax). The telephone number for fax bid submission will be identified in the solicitation; no other number may be used for bid submission. Bids submitted by fax need not be confirmed in writing but must comply with all legal requirements applicable to formal bids. If all or any portion of a bid submitted by fax is received late, is illegible, or is otherwise rendered non-responsive due to equipment failure or operator error, the bid or the applicable portion of the bid will not be considered. The university shall not be liable for equipment failure or operator error, nor will such failure or error require other bids to be rejected or the bid invitation to be re-advertised. A bid that is received in the memory of a fax machine, prior to the bid opening time, will be considered valid. The official time for receipt of bids will be determined by the activity report printed by the fax machine.
 6. Bids by telegram are not allowed.
 7. An unsigned bid is not valid and will be disqualified.
 8. A bidder or a department may request, in person at the bid opening, that bids be read aloud. No bid shall be required to be read aloud at any time other than during regular working hours and days.
 9. When formal bids are required, bids may not be taken or accepted by telephone, email etc. unless specified within the bid document or instructions.



10. If an error is discovered in a bid invitation, or departmental requirements change prior to the opening of a bid, Purchasing will transmit an addendum correcting or changing the specifications to all bidders originally listed on the transmission list for that bid invitation. Bids will not be rejected for failure to return the addendum with the bid, if the change is noted on the bid or the product or service specification would not be changed by the addendum.
 11. By signing and submitting a bid to Purchasing or to a department acting under delegated purchasing authority, a bidder affirms that it has not given or offered any economic opportunity, employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the bid, and that it does not intend to give or offer any of the foregoing in the future. Signing a bid with a false statement shall void the bid and any resulting contract, and the bidder shall be removed from all future solicitations.
- B. Bid opening and tabulation.
1. All bid openings conducted by Purchasing shall be open to the public.
 2. Bid opening dates may be changed and bid openings rescheduled if bidders are notified in advance of the new opening date.
 3. If a bid opening is canceled, all bids will be returned to the bidders.
 4. All bid tabulation files are available for public inspection. Bid tabulations may be reviewed by any interested person during regular working hours at the Office of Procurement and Disbursements. Employees of the university are not required to give bid tabulation information by telephone.

Bid Evaluation and Award

- C. Bid evaluation.
1. The university may accept or reject any bid or any part of a bid or waive minor technicalities in a bid, if doing so would be in the university's best interest.
 2. A bid price may not be altered or amended after bids are opened except to correct mathematical errors in calculation of units x unit price.
 3. No increase in price will be considered after a bid is opened. A bidder may reduce its price provided it is the lowest and best bidder and is otherwise entitled to the award.



4. Bid prices are considered firm for acceptance for 30 days from the bid opening date for bid solicitations and 60 days for proposal solicitations, unless otherwise specified in the invitation for bids.
5. A bid containing a self-evident error may be withdrawn by the bidder prior to an award.
6. Bid prices which are subject to unlimited escalation will not be considered. A bidder may offer a predetermined limit of escalation in his bid and the bid will be evaluated on the basis of the full amount of the escalation.
7. A bid containing a material failure to comply with the advertised specifications shall be rejected.
8. All bids must be based on "F.O.B. destination – freight included" delivery terms unless otherwise specified.
9. If requested in the invitation for bids, samples must be submitted, or the bid will be rejected. The university will require samples only when essential to the assessment of product quality during bid evaluation. Samples for non-winning bids shall be returned to the bidder, whenever practicable, at the bidder's expense. Otherwise, samples will be disposed of in the same manner as surplus or salvage property.
10. When brand names are specified, bids on alternate brands will be considered if they otherwise meet specification requirements.
11. Cash discounts are acceptable but are not considered in making an award. All cash discounts offered will be taken if they are earned by the university.
12. No electrical item may be purchased unless the item meets applicable safety standards of the federal Occupational Safety and Health Administration (OSHA).

D. Award.

1. All awards shall be made to the bidder complying with the best value criteria stated in the bid document and conforming to the advertised product or service specifications. In determining which bidder is offering the best value, the university shall consider price and may consider and evaluate the factors comprising the best value criteria as may be set forth in the bid.
2. **Best Value Factors**
The university may consider the following factor(s) in determining best value:



- (a) Any installation costs;
- (b) The delivery terms;
- (c) The quality and reliability of the vendor's goods or services;
- (d) The extent to which the goods or services meet the agency's needs;
- (e) Indicators of probable vendor performance under the contract such as past vendor performance, the vendor's financial resources and ability to perform, the vendor's experience and responsibility, and the vendor's ability to provide reliable maintenance agreements;
- (f) The impact on the ability of the university to comply with laws and rules relating to Historically Underutilized Businesses or relating to the procurement of goods and services from persons with disabilities;
- (g) The total long-term cost to the university of acquiring the vendor's goods or services;
- (h) The cost of any employee training associated with the acquisition;
- (i) The effect of an acquisition on university productivity;
- (j) The acquisition price; and
- (k) Any other factor relevant to determining the best value for the university in the context of a particular acquisition that is sufficiently described in a solicitation instrument.

E. Vendor Performance Checklist

Certain information regarding vendor's character must be verified. Purchasers must check the following information prior to awarding a contract to a vendor:

1. Excluded Parties List System (EPLS) – Purchasers shall not award contracts to vendors who have been barred from contracting by the Federal Government. You can view a list of barred vendors on the EPLS website at: <https://www.sam.gov/portal/public/SAM/>
2. Debarred Vendor List – Purchasers shall not award contracts to vendors who have been barred from participating in state contracting opportunities. You can view a list of barred vendors on TPASS' website at: http://www.window.state.tx.us/procurement/prog/vendor_performance/debarred/



3. Comptroller Tax Hold – Purchasers must check a vendor’s tax status on the Comptroller’s website at <https://ourcpa.cpa.state.tx.us/coa/Index.html>. If a vendor is on tax hold, you should call the vendor and ask them to resolve their account with the Comptroller of Public Accounts. You are not prohibited from issuing contracts based on a vendor’s tax status. (Only applies to procurement card purchases over \$150.)
4. Prior Vendor Performance – If specified in the solicitation document, purchasers must check vendor past performance history through TPASS’ Vendor Performance Tracking System. For more information regarding this system, please see TPASS’ website at:
http://www.window.state.tx.us/procurement/prog/vendor_performance/debarred//

3. **Selection and Publication of Best Value Criteria.**

- (a) In any procurement conducted under the requirements of the Bid Evaluation and Award section, the university must identify the specific factors to be analyzed in determining best value. The selection of best value criteria must be tailored to the specific needs of the university and must not necessarily limit competition or discourage the achievement of university procurement objectives.
- (b) Every purchase of goods or services conducted in accordance with the requirements of the Bid Evaluation and Award section must include consideration of price as a factor.
- (c) The university must publish notice of the specific criteria to be employed by the university in determining best value. The notice may be published in the solicitation instrument, public notice, or public announcement of a proposed procurement of goods or services.

4. **Vendor Protest Procedures**

- (a) Any vendor wishing to challenge the purchase award or dispute any action taken by the Department of Purchasing must submit a written request to the Director of Procurement and Disbursements, Texas A&M University-Corpus Christi, 6300 Ocean Drive, Unit 5731, Corpus Christi, TX 78412-5731, outlining the issues in need of review. Such request may be made at any time, but if any change in the award is to be affected, the request for review must be made within ten (10) working days of the notification of award. Any request after the ten (10) working days will be rejected and returned to vendor.
- (b) The Director of Procurement and Disbursements will review the stated issue the stated issue to be resolved with the Buyer and provide an assessment and explanation of the decision to the vendor making the request. In the event that the Director of Procurement and Disbursements review discovers any significant



deviation from the process, the Director has the authority to settle and resolve the dispute.

- (c) A vendor may appeal the decision within three (3) working days to the Associate Vice-President for Finance & Administration. The Associate Vice-President for Finance & Administration will render a decision within ten (10) working days of the appeal.
- (d) If the vendor does not agree with decision of the Associate Vice-President for Finance and Administration, the vendor may appeal in writing no later than three (3) working days after the date of Associate Vice-President for Finance & Administration determination, to the Executive Vice-President for Finance and Administration, whose decision will be final.

CENTRALIZED MASTER BIDDERS LIST

- A. TPASS (Texas Procurement & Support Services) maintains the Centralized Master Bidders List (CMBL) of the names and addresses of vendors that have applied and have been accepted for inclusion on the CMBL. The CMBL is maintained for the state's use in obtaining competitive bids for purchases and for registering vendors who wish to be designated as qualified information systems vendors. No vendor will be placed on the CMBL to receive bid invitations for information purposes only. Bid invitations and requests for proposals may be transmitted to vendors on the CMBL for solicited commodities and/or services. The web site can be found at <http://www2.cpa.state.tx.us/cmb/cmbhub.html>.
- B. An error in addressing a bid invitation or request for proposal or a failure of the post office to deliver the solicitation will not be sufficient reason to require the university to reject all other bids or proposals.
- C. TAMU-CC will use the CMBL for selecting bidders for bid solicitations but may also supplement the CMBL with vendors having the known ability to supply the product(s) requested.

COMPETITIVE SEALED PROPOSALS

TAMU-CC may use the process established in the Texas Government Code, Chapter 2156 for the acquisition of goods and services by the competitive sealed proposal process.



V. GLOSSARY

Glossary of Definitions

The following words and terms, when used in the TAMU-CC Rules, shall have the following meanings, unless the context clearly indicates otherwise.

1. Approved products list -- The list is also referred to as the "approved brands list" or "qualified products list". This is a specification developed by the evaluation of brands and models of various manufacturers and listing those determined to meet the minimum level of quality. Testing is completed in advance of procurement to determine which products comply with the specifications and standards requirements.
2. Award -- The act of accepting a bid, thereby forming a contract between the university and a bidder.
3. Best Value -- The optimum combination of economy and quality that is the result of fair, efficient, and practical procurement decision-making and which achieves the procurement objectives of TAMU-CC.
4. Bid -- An offer to contract with the university, submitted in response to a bid invitation issued by the Procurement and Disbursements.
5. Bid deposit -- A deposit required of bidders to protect the university in the event a low bidder attempts to withdraw its bid or otherwise fails to enter into a contract with the university. Acceptable forms of bid deposits are limited to: cashier's check, certified check, Texas A&M University System Bid Bond (Form C-2), or irrevocable letter of credit issued by a financial institution subject to the laws of Texas and entered on the United States Department of the Treasury's listing of approved sureties; a surety or blanket bond from a company chartered or authorized to do business in Texas.
6. Bid sample -- A sample required to be furnished as part of a bid, for evaluating the quality of the product offered.
7. Bidder -- An individual or entity that submits a bid. The term includes anyone acting on behalf of the individual or other entity that submits a bid, such as agents, employees, and representatives.
8. Brand name -- A trade name or product name which identifies a product as having been made by a particular manufacturer.
9. Centralized master bidders list (CMBL) -- A list maintained by the Commission containing the names and addresses of prospective bidders and qualified information systems vendors.
10. Commodity -- Any good or service to be purchased



11. Debarment -- An exclusion from contracting or subcontracting with state agencies and TAMUS on the basis of any cause set forth in Texas Administrative Code §113.102 (relating to Vendor Performance and Debarment), commensurate with the seriousness of the offense, performance failure, or inadequacy to perform.
12. Director -- The director of a Procurement and Disbursements for a university.
13. Distributor purchase -- A purchase of repair parts for a unit of major equipment that are needed immediately or for maintenance contracts on laboratory/medical equipment.
14. Emergency purchase -- A purchase of goods or services so badly needed that the university will suffer financial or operational damage unless the items are secured immediately.
15. Environmentally sensitive products -- Products that protect or enhance the environment, or that damage the environment less than traditionally available products.
16. Equivalent product -- A product that is comparable in performance and quality to the specified product.
17. Escalation clause -- A clause in a bid providing for a price increase under certain specified circumstances.
18. Formal bid -- A written bid submitted in a sealed envelope in accordance with a prescribed format, or an electronic data interchange transmitted to the university in accordance with procedures established by the university.
19. Group purchasing program -- A purchasing program that offers discount prices to two or more state agencies, institutions of higher education or other public entities.
20. HUB – Historically Underutilized Business. A small minority or woman owned business.
21. Informal bid -- An unsealed, competitive bid submitted by letter, telephone, or other means.
22. Invitation for bids (or IFB) -- A written request for submission of a bid; also referred to as a bid invitation.
23. Late bid -- A bid that is received at the place designated in the bid invitation after the time set for bid opening.
24. Level of quality -- The ranking of an item, article, or product in regard to its properties, performance, and purity.
25. Manufacturer's price list -- A price list published in some form by the manufacturer and available to and recognized by the trade. The term does not include a price list prepared especially for a given bid.
26. Multiple award contract procedure -- A purchasing procedure by which the Procurement and Disbursements establishes one or more levels of quality and performance and makes more than one award at each level.



27. Non-competitive purchase -- A purchase of goods or services that does not exceed the amount stated in the university rule or delegation of authority (relating to Delegated Purchases).
28. Notice of award -- A letter signed by the director or his designee, which awards and creates a contract.
29. Performance bond -- A surety bond which provides assurance of a bidder's performance of a certain contract. The amount for the performance bond shall be based on the bidder's annual level of potential monetary volume with the university. Acceptable forms of bonds are those described in the definition for "bid deposit".
30. Post-consumer materials -- Finished products, packages, or materials generated by a business entity or consumer that have served their intended end uses, and that have been recovered or otherwise diverted from the waste stream for the purpose of recycling.
31. Pre-consumer materials -- Materials or by-products that have not reached a business entity or consumer for an intended end use, including industrial scrap material, and overstock or obsolete inventories from distributors, wholesalers, and other companies. The term does not include materials and by-products generated from, and commonly reused within, an original manufacturing process or separate operation within the same or a parent company.
32. Proprietary -- Products or services manufactured or offered under exclusive rights of ownership, including rights under patent, copyright, or trade secret law. A product or service is proprietary if it has a distinctive feature or characteristic which is not shared or provided by competing or similar products or services.
33. Public bid opening -- The opening of bids at the time and place advertised in the bid invitation, in the presence of anyone who wishes to attend. On request of any bidder or department in attendance, bids will be read to the assembled group.
34. Purchase orders (PO) -- A document detailing the specifications, terms and conditions of goods or services being offered to purchase to a supplier.
35. Purchasing functions -- The development of specifications, receipt and processing of requisitions, review of specifications, advertising for bids, bid evaluation, award of contracts, and inspection of merchandise received. The term does not include invoice, audit, or contract administration functions.
36. Recycled material content -- The portion of a product made with recycled materials consisting of pre-consumer materials (waste), post-consumer materials (waste), or both.
37. Recycled materials -- Materials, goods, or products that contain recyclable material, industrial waste, or hazardous waste that may be used in place of raw or virgin materials in manufacturing a new product.
38. Recycled product -- A product that meets the requirements for recycled material content as prescribed by the rules established by the Texas Natural Resource Conservation Commission in consultation with the Commission.
39. Remanufactured product -- A product that has been repaired, rebuilt, or otherwise restored to meet or exceed the original equipment manufacturers (OEM) performance specifications; provided, however, the



warranty period for a remanufactured product may differ from the OEM warranty period.

40. Request for proposal (RFP) -- A written request for offers concerning goods or services the university intends to acquire by means of the competitive sealed proposal procedure.
41. Purchase requisition -- An initiating request from a department describing needs and requesting the Procurement and Disbursements to purchase goods or services to satisfy those needs.
42. Responsible vendor -- A vendor who has the capability to perform all contract requirements in full compliance with applicable state law, ethical standards, and applicable university rules.
43. Reverse auction -- A bidding process that allows bidders to view previously submitted bid prices and allows for the re-submittal of bid pricing for a specified period of time.
44. Sealed bid -- A formal written bid which is opened in accordance with the bid/ proposal instructions.
45. Solicitation -- An invitation for bids or a request for proposals.
46. Specification -- A concise statement of a set of requirements to be satisfied by a product, material or service, indicating whenever appropriate the procedures to determine whether the requirements are satisfied.
47. Standard specification -- A description of what the purchaser requires and what a bidder or proposer must offer.
48. Successor-in-interest -- Any business entity that has ownership similar to a business entity. For purposes of the Procurement Code (relating to Vendor Performance and Debarment), it shall be presumed that a business entity that employs, or is associated with, any partner, member, officer, director, responsible managing officer, or responsible managing employee, of a business entity that was previously debarred is a successor-in-interest.
49. TPASS -- Texas Procurement and Support Services.
50. Tabulation of bids -- The recording of bids and bidding data for purposes of bid evaluation and record keeping.
51. Testing -- An element of inspection involving the determination, by technical means, of the properties or elements of item(s) or university(s), including function operation.
52. Texas uniform standards and specification -- Standards and specifications prepared and published by the standards and specifications program of the Commission.
53. Total expenditures on products with recycled material content, remanufactured products, and environmentally sensitive products -- The total direct acquisition costs (vendor selling price plus delivery costs) of all such products.
54. Uniform standards and specifications -- specifications and standards developed by nationally recognized standards-making associations.



55. Unit price -- The price of a selected unit of a good or service, e.g., price per ton, per labor hour, or per foot.
56. University -- An agency, university, or health science center within The Texas A&M University System.
57. Vendor -- A supplier of goods or services to the state.

HELPFUL LINKS:

Procurement and Disbursements	https://www.tamucc.edu/finance-and-administration/financial-services/purchasing
Texas Procurement and Support Services (TPASS)	http://www.window.state.tx.us/procurement/
Centralized Master Bid List (CMBL)	http://www.window.state.tx.us/procurement/prog/cmb/
HUB Vendor Information	http://www.window.state.tx.us/procurement/prog/hub/
State Contract – Texas Smartbuy	http://www.txsmartbuy.com/contracts
TAMU-CC Computer Contract info	pending*
DIR (TX Dept. of Information Resources)	http://dir.texas.gov/