

SAP 25.07.03.T0.01 Acquisition of Goods and Services



New/Approved: August 1, 2016
Next Scheduled Review: August 1, 2021

Procedure Statement

This standard administrative procedure (SAP) is developed to provide guidelines necessary to facilitate and expedite the acquisition of goods and/or services as deemed to be in the best interest of Tarleton State University (Tarleton) and in accordance with sound business practices and applicable state laws.

Reason for Procedure

This SAP provides guidelines to minimize risks associated with the procurement of goods and services and allows the university to carry out its fiduciary responsibilities per System Regulation 25.07.03, *Acquisition of Goods and/or Services*.

Procedures and Responsibilities

1. GENERAL

- 1.1. All purchases must comply with the Tarleton's purchasing procedures. Each purchase must be fully documented, with all documents retained in accordance with the Tarleton's records retention schedule. There are two types of purchasing authority: (1) purchases processed directly through and by the Purchasing Department; and (2) purchases delegated to all departments with a stated dollar limit of \$5,000. Purchases requiring a written contract, other than the Tarleton's standard purchase order (PO), must be in compliance with the provisions of System Policy 25.07 *Contract Administration*, and System Regulation 25.07.01 *Contract Administration Procedures and Delegation*.
- 1.2. Unless specifically exempted (see section 8), the following procurement methods must be utilized: competitive bidding; competitive sealed proposals; catalogue purchase procedures; group purchasing; and alternate methods relevant to specific application of goods or services purchased.
- 1.3. All purchases shall be based on a "best value" and shall encompass the following: purchase price; reputation of the vendor and of the vendor's goods or services;

quality of the vendor's goods or services; extent to which the goods or services meet the Tarleton's needs; the vendor's past performance with the Tarleton; impact on the ability of the Tarleton to comply with laws and rules relating to Historically Underutilized Businesses (HUBs) and to the procurement of goods and services from persons with disability.

- 1.4. Proprietary purchase requisitions: those that can only be purchased from a single source must be properly justified in writing, before the Purchasing Department can process the requisition. All proprietary purchase requisitions are reviewed for appropriate justification by the assigned buyer and then reviewed by the Director of Purchasing. Justifications must be submitted on the approved form and include: Comparison of at least two (2) other similar type products; list features that are lacking and why the feature is essential to the product being requested.

2. PURCHASE OF GOODS OR COMMODITIES

- 2.1. The Purchasing Department has delegated authority to all departments to make purchases of goods and services without competitive bid for \$5,000 or less (including freight and/or postage); however departments are encouraged to obtain multiple bids whenever possible.
 - 2.1.1. All employees making purchases under delegated purchasing authority shall adhere to the System Policy 07.01 *Ethics*
 - 2.1.2. Purchases within these dollar limits require proper documentation within the e-Procurement system or as provided in the Tarleton guidelines for procurement card purchases
 - 2.1.3. Purchases may not be separated into smaller dollar purchases in order to remain within dollar limit of authority
 - 2.1.4. In the event a purchase or a series of purchases (that appropriately should have been combined into a single purchase) are made exceeding the \$5,000 delegated authority, the department shall submit a non-compliance memo through the e-Procurement system. The explanation should include the circumstances surrounding the non-compliant purchase and actions to be taken to avoid a reoccurrence. The Director of Procurement and Contracts has the authority to approve non-compliant payments and to withdraw delegated purchasing authority for repeated non-compliance.
 - 2.1.5. Departments shall provide equal opportunity and access to all vendors for the purchase of goods and commodities. The Purchasing Department will assist in identifying HUBs for such purchases.
 - 2.1.6. Departments shall purchase good, whenever possible, for persons with disabilities: Texas Industries for the Blind and Handicapped (TIBH). The Purchasing Department will assist in identifying TIBH contracts.

2.1.7. The State of Texas has awarded contracts that are available for use by all state agencies and institutions of higher education. Departments are highly encouraged to review and utilize state contracts whenever possible.

2.2. All purchases in excess of the authorized departmental purchase limit, excluding Section 8 Exempt Purchases, shall be submitted as a requisition to the Purchasing Department. Upon receipt of the purchase requisition, Purchasing will determine the appropriate method of procurement and process accordingly

3. PURCHASE OF SERVICES

3.1. Purchase of services is defined as the furnishing of skilled or unskilled labor or professional work, but does not include: (1) professional services as defined in Texas Government Code Chapter 2254; (2) service of a state agency employee; (3) service of a public utility.

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

3.1.2. If the service can only be provided by a sole source provider, the requisition must indicate that the desired purchase is a sole source purchase and complete a sole source submitted to the Director of Procurement and Contracts for review. The Director of Procurement and Contracts has the authority to reject a sole source submission.

3.2. If a service will be required and rendered throughout the fiscal year, with an estimated cumulative value that exceeds \$5,000, a requisition must be forwarded to the Purchasing Department.

4. EMERGENCY PURCHASES

4.1. An emergency purchase is defined as a purchase of goods or services that if not secured immediately, the Tarleton will suffer financial or operational damage. In the case of an emergency, departments must notify the Purchasing Department immediately. If the emergency happens after normal business hours, the department shall notify the Purchasing Department on the next business work day. The Purchasing Department will approve an emergency purchase in accordance with the following provisions:

4.1.1. At least three informal bids must be obtained whenever possible on all purchases exceeding \$5,000.

4.1.2. Written emergency justification addressed to the Director of Procurement and Contracts to include the following: (1) explanation of the emergency; (2) an explanation of the financial or operational damage that will occur if needs are not immediately satisfied; (3) state why the needs could not be anticipated so that item could have been requisitioned through the Purchasing Department or through regular delegated purchasing methods.

5. PURCHASE OF SPECIFIC GOODS AND SERVICES

- 5.1. **Computer Software:** All software purchases must be requisitioned through the Purchasing Department regardless of the dollar amount. Software purchases are not allowed on the procurement card, without prior approval from the Director of Procurement and Contracts Services or their delegated representative.
- 5.2. **Rental of Machines and Equipment:** Rental of machines and equipment that do not include an operator are considered goods. Rentals that include an operator provided by the supplier are considered services. All rentals must be processed through the Purchasing Department prior to the date of required use.
- 5.3. **Printing Services:** Printing services must be requisitioned through the Purchasing Department no matter the dollar value and must be approved by the Department of Marketing and Communications in accordance with State Purchasing Guidelines, best practices and Tarleton's logo usage standards. Printing may not be procured using a procurement card. Business Identity Documents such as business cards and letterhead purchased through authorized vendors are exempt from this process.
- 5.4. **Computers:** All computer purchases must be requisitioned through the Purchasing Department with additional approvals from Information Technology. Computer purchases are not allowed on the procurement card.
- 5.5. **Food Purchases:** State funds cannot be used for the purchase of food including coffee and related items for consumption by employees or departmental visitors. State funds can be used to pay for food purchases related to research or teaching in a class or lab setting.

All food purchases must be requisitioned with a description of who, what, when, where and why the food is being purchased. If alcoholic beverages will be consumed a memo with the President's approval must accompany the requisition.
- 5.6. **Institutional Memberships:** All institutional memberships must be requisitioned and have the approval of the division vice president. Institutional memberships must be in the name of the Tarleton and not that of the individual. Institutional memberships can be purchases using the procurement card if using local funds.
- 5.7. **Personal Purchases:** State resources cannot be used to receive or deliver personal packages. DO NOT use Central Receiving addresses for personal packages these will not be accepted or delivered.
- 5.8. **Professional Services:** Professional Services are defined by the Professional Services Procurement Act (Government Code, Section 2254.002). Examples of these services include: architects, professional engineering, real estate appraising. Professional services are procured using the Request for Qualification process and selections are based upon their qualifications and ability to perform the scope of work as described in the Request for Qualifications.

6. PURCHASE OF USED EQUIPMENT AND TRADE-INS

- 6.1. **Used Equipment:** It is preferred that new equipment is purchased, but sometime necessary or advantageous to purchase used or demonstrator equipment and supplies. Used equipment may be purchased with both state and local funds.

The most common reasons for purchasing used equipment are: (1) the inability to secure new equipment; (2) lack of adequate funds for new equipment. The following procedure must be used when purchasing used equipment:

- 6.1.1. Obtain a minimum of three (3) bids whenever possible
- 6.1.2. If unable to obtain bids, prepare a written explanation of why no competition exists
- 6.1.3. Provide a letter or signed statement from the supplier guaranteeing quality and condition of use equipment include any warranties
- 6.1.4. Provide a letter from an authorized Tarleton employee which state that equipment and supplies have been personally examined and confirms the quality and condition of the equipment
- 6.1.5. Additional approvals as determined by the department and the Director of Purchasing

- 6.2. **Trade-Ins:** New equipment may be purchased with a trade-in of old equipment of a similar type. Amounts for trade-ins are reviewed as part of the bid evaluation process. If determined that an insufficient trade-in allowance has been offered, the equipment will be purchased without a trade-in.

7. CENTRAL STORES

- 7.1. Central stores service is provided to all departments to allow prompt delivery of select items including paper. Stores items and applicable forms are listed on the Support Services website. A Stores Request Form must be filled out and emailed to Central Receiving. The order will be filled and delivered to the requesting department. A department transfer for the cost of items ordered will be completed.

8. EXEMPT PURCHASES

- 8.1. The following goods and services are exempt from competitive bidding requirements, regardless of the dollar value:
- 8.1.1. Classified advertising: expenses such as newspaper, magazine, radio, television, billboards, classifieds, yellow pages advertisements and all other printed advertisements. This exemption only covers advertisements and does not extend to fees paid to public relations or advertising firms for their services in developing or executing coordinated campaigns or programs.

- 8.1.2. Conference Expense: expenses related to conference room services such as audio/visual/network and food services (does not include goods purchased for attendees or transportation services).
- 8.1.3. Rental of exhibit space (booths) for display purposes
- 8.1.4. Employee moving expense – state employee relocation
- 8.1.5. Goods and services provided by other State of Texas agencies (e.g., Texas Department of Criminal Justice, Texas Industries for the Blind and Handicapped), System members or by other local governments (inter-agency and inter-local agreements must be reviewed by Contract Administration).
- 8.1.6. Governmental services including database access, postal, and purchases made from other governmental entities e.g., USDA, NASA
- 8.1.7. Lectures, guest speakers and entertainers (e.g., pianists, performers) hired on a one-time basis (does not include fees for speakers on a continuous basis)
- 8.1.8. Internal repair of machinery and equipment – must include materials and labor
- 8.1.9. Items for resale, e.g., paper for central stores, meat for meats lab
- 8.1.10. Items required by statute to be purchased from a particular source
- 8.1.11. Library materials specific for Tarleton State University libraries
- 8.1.12. Membership fees and dues
- 8.1.13. Newspaper and magazine subscriptions purchased directly from the publisher
- 8.1.14. Software – must include justification on selection of provider including a comparison of at least two other solutions
- 8.1.15. Utilities
- 8.1.16. Purchase or lease of livestock
- 8.1.17. Catering services
- 8.1.18. Purchase made from group purchasing programs (cooperative programs)
- 8.1.19. Purchasing made from Texas State Contracts, TxMAS contracts and GSA Schedule 84 and 70 contracts
- 8.1.20. Artists (painters, sculptors, compositions, performers)

- 8.1.21. Works of art
- 8.1.22. Employee and prospective employee travel

9. REVIEW OF PURCHASE DOCUMENTS AND PAYMENT VOUCHERS

- 9.1. The Purchasing Department may review departmental delegated purchases and revoke any delegation as deemed necessary. Based on the review of the documents, the Purchasing Department may revoke any delegation as deemed necessary. All delegated departmental purchases are subject to audit.

Related Statutes, Policies, or Requirements

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

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

[System Policy 07.01, Ethics](#)

[System Policy 25.07, Contract Administration](#)

[Tarleton Rule 25.06.01.T1 and Procedure 25.06.01.T1.01, Tarleton Historically Underutilized Business Program \(HUBs\)](#)

[System Regulation 25.07.01 Contract Administration Procedures and Delegation](#)

[Tarleton Standard Administrative Procedure 25.07.01.T0.01, Contract Administration](#)

[Supplements System Regulation 25.07.03, Acquisition of Goods and/or Services](#)

[Tarleton Standard Administrative Procedure 27.99.99.T0.01, Procedure for Purchase of Information Technology](#)

Definitions

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

1. **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 Tarleton State University as defined by Education Code 51.9335.
2. **Informal bid:** An unsealed, competitive bid submitted by letter, telephone or other means.
3. **Purchase orders:** A document detailing the specifications, terms and conditions of goods or services being offered to purchase to a supplier.

4. **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.
 5. **Purchase requisition:** An initiating request from a department describing needs and requesting the Purchasing Department to purchase goods or services to satisfy those needs.
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