

THE UNIVERSITY OF TEXAS AT TYLER PROCUREMENT PROCEDURES MANUAL

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PURPOSE / SCOPE

The purpose of this manual is to provide the guidelines for all purchases made by The University of Texas at Tyler (UT Tyler) as required by The University of Texas System (UT System) Board of Regent's Rules and Regulations, Rule: 20901. These guidelines apply to UT Tyler employees who participate in the purchase of goods and services for their departments. Purchases are to be made in compliance with the appropriate laws, rules and regulations and follow sound business practices. It is not intended to be a technical manual for Procurement Services office personnel.

AUTHORITY

University of Texas System-wide [Policy UTS159](#) requires the primary procurement officer of each institution and System Administration to promulgate procedures to facilitate and expedite the purchasing function.

Compliance with Laws, Rules and Regulations

All UT Tyler personnel involved in purchasing are expected to follow proper purchasing procedures including but not limited to laws, rules and regulations of the State of Texas, Texas Comptroller of Public Accounts Statewide Procurement Division (SPD), the Department of Information Resources (DIR), UT System and UT Tyler.

UT Tyler administers the procurement (purchasing) process in accordance with:

- best value principles
- applicable laws and regulations
- UT System Board of Regent's [Rules and Regulations](#) (Regents' *Rules and Regulations*)
- UT Tyler policies and procedures including Historically Underutilized Business (HUB) requirements
- ethical standards of conduct
- sound business practices

Failure to comply with the laws, rules and regulations and to follow sound business practices may result in the employee having to pay for the non-compliant purchase and/or other disciplinary action(s) in accordance with University policies and procedures including termination for cause.

The sources of these laws, rules and regulations are found in the Texas Government Code, Chapters 2151 through 2158; the Texas Education Code, Chapter 51 and Chapter 54; the General Appropriations Act; the Texas Administrative Code, Title I, Part 5; The State of Texas Procurement Manual; The UT System Regent's Rules and Regulations, Rule 20901, and The UT System Policy UTS159.

Procurement Ethics

UT TYLER is committed to maintaining ethical business practices, both as an institution and as individual employees.

1. Conflicts of Interests: Officers, faculty, and employees (collectively "employees") of UT Tyler may not have a direct or indirect interest, financial or otherwise, that is in conflict with the proper discharge of their duties. Potential conflicts of interest must be disclosed in compliance with applicable UT System policies (ref. UTS175 and UTS180).
2. Adherence to Law: Employees shall adhere to applicable laws, rules, regulations, and policies of governmental and institutional authorities. The failure to do so will be grounds for disciplinary action, up to and including termination of employment.
3. Gifts: No employee shall accept or solicit any gift, favor, service, or loan that might reasonably appear to influence the employee in the discharge of duties. *Note: Making or receiving gifts, including honoraria, may constitute a criminal offense under certain circumstances.*
4. Confidential Information: No employee shall disclose confidential information or use such information for his or her personal benefit.
5. Self-Dealing: No employee shall transact any business in an official capacity with any business entity of

which the employee is an officer, agent, or member, or in which the employee owns a substantial interest.

6. **Personal Investments:** No employee shall make personal investments that could reasonably be expected to create a conflict between the employee's private interest and the public interest.

Some examples of upholding high ethical standards in purchasing include (but are not limited to):

- Serving the best interest of UT Tyler, UT System, and the State
- Knowing and upholding laws, regulations, and policies governing procurement
- Not accepting personal gifts or gratuities that might in any way result in an obligation to individuals or firms seeking business
- Obtaining maximum value for each dollar of expenditure
- Avoiding conflicts of interest
- Avoiding acts which are improper or give the appearance of impropriety
- Not disclosing confidential information

For more information see UT System-wide Policy [UTS134](#) – Code of Ethics for Financial Officers and Employees

Procurement Services Office Organization and Objectives

1. **Organization** – Purchasing at UT Tyler is semi-decentralized. The Procurement Services office at UT Tyler is organized to serve all departments of the University.

2. **Objectives** - Its primary objective is to procure goods and services required by UT Tyler at the specified quality and quantity levels consistent with best value principles, to enable UT Tyler to achieve its goals. The Procurement Services office is under the supervision of the Procurement Manager, who is accountable to the Vice President for Budget and Finance & CFO.

3. **Authority to Obligate Funds** - Authority to obligate institutional funds for purchases of supplies, materials, services, and equipment is granted to the Procurement Manager and Buyers by the President pursuant to authority granted under the UT System Board of Regents Rules and Regulations, Rule 10501. The UT System Policy regarding Purchasing, UTS159, authorizes the Procurement Manager to promulgate procedures to facilitate and expedite the purchasing function. To expedite purchasing functions, certain Department Budget Authorities are authorized to perform small purchase order functions. With this authorization comes the responsibility for Department Budget Authorities to comply with Regents Rules and Regulations, all established UT Tyler purchasing policies, UT System employee ethics and standards of conduct, established program procedures, and any other requirements as determined by the Procurement Manager. Procedural and policy violations may result in removal of privileges at the discretion of the Vice President for Budget and Finance & CFO.

Procurement Responsibilities

The Procurement Services office is charged with the following general responsibilities:

1. Assist UT Tyler department(s) in preparing requisitions, as needed, by reviewing specifications for accuracy and completeness and determining the proper procurement procedure in view of the proposed expenditure.

2. Process purchase orders that utilize accredited Group Purchasing Organizations (GPO's). listed at the following link:

<https://www.utsystem.edu/offices/business-affairs/group-purchasing-organization-gpo-accreditation-program>

3. Process official solicitations and coordinate issue of resulting purchase orders.
4. Maintain an accurate file of all procurement transactions and related correspondence.
5. Process purchase orders that utilize Texas SmartBuy.
6. Correspond with potential and current suppliers as necessary.
7. Assist University departments with all matters related to procurement as needed.

Release Authority

No employee of the Procurement Services office or other University department which has been delegated small purchase order authority may release a purchase order to a vendor either verbally or in writing which exceeds his/her purchase authority until such order is reviewed and approved by personnel who have authority at that level of commitment. Each order submitted for review must be accompanied by the following documentation:

- Copy of Purchase Order
- Change Order(s), if applicable
- Electronic Requisition
- Confirming quotation or written Bid/RFP (including clarifications and revised bids/proposals)
- Award Recommendation, if applicable
- Bid Tabulation and Justification for Method of Purchase
- Appropriate Justification (e.g., best value, sole-source), if applicable
- Department (User) Review/Approval Letter or Evaluation Forms, if applicable
- Bidders list, if applicable
- Copy of all Submitted Quotations, Written Bids, or Proposals if applicable
- HUB Subcontracting Plan if applicable (Orders of \$100,000 or more)
- TIBH Justification, if applicable
- Miscellaneous Correspondence
- Contract Administration Documentation, if applicable

Transactions with Employees

As set forth in UT System Policy, UTS159, "Purchase from, or sale to, any employee of System Administration or an institution of any supplies, materials, services, equipment, or property must have the prior approval of the president. Any such purchases shall be made only if the cost is less than from any other known source. This Section does not apply to sales or purchases made at public auction."

BEST VALUE PROCUREMENT PROCEDURES

General

These procedures are issued to establish effective guidelines for the procurement of supplies, equipment and services consistent with best value principles, applicable laws and regulations, and best industry practices. These procedures are to be used by all personnel involved in the procurement process. "Best value" means 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 UT Tyler. These procedures apply to both local and state funds. The Procurement Services office will approve exceptions to these procedures only when circumstances warrant and all exceptions will be documented.

Procedures

Personnel authorized to make procurements on behalf of UT Tyler shall determine in his/her best judgment the most appropriate and effective method of acquisition for each assigned requisition or request for purchase.

In making this determination, authorized personnel will have a variety of procurement options, including, but not limited to; state contracts, group purchasing contracts, open market procurements, DIR contracts, and UT System contracts. The buyer's objective is to acquire the good or service meeting the needs of the end user while ensuring that the procurement achieves: (1) "Best value" as defined above and authorized in Section 51.9335, Texas Education Code; (2) compliance with the UT System Board of Regents Rules and Regulations; (3) compliance with UT System System-wide Policies; (4) compliance with UT Tyler's Historically Underutilized Business (HUB) policies; (5) conformance to standards of ethical conduct; and (6) compliance with all applicable laws, rules and regulations.

Best Value Determination

UT Tyler conducts all purchasing activities in a manner that ensures that each purchase of goods or services provides the "best value" to UT Tyler. In determining the best value to an institution of higher education, UT Tyler shall consider:

1. the impact on the ability of the institution to comply with laws and rules relating to the procurement of goods and services from persons with disabilities (WorkQuest);
2. the purchase price;
3. the reputation of the vendor and of the vendor's goods or services;
4. the quality of the vendor's goods or services;
5. the extent to which the goods or services meet the institution's needs;
6. the vendor's past relationship with the institution;
7. the impact on the ability of the institution to comply with laws and rules relating to Historically Underutilized Businesses;
8. the total long-term cost to the institution of acquiring the vendor's goods or services;
9. any other relevant factor that a private business entity would consider in selecting a vendor; and
10. the use of material in construction or repair to real property that is not proprietary to a single vendor unless the institution provides written justification in the request for bids for use of the unique material specified.

For more information see Texas Education Code § [51.9335](#).

Purchases from People with Disabilities

State statute requires UT Tyler to purchase goods or services available through the State Use Program from vendors in this program that includes WorkQuest (formerly TIBH) unless certain exceptions are met. Many goods are available in the online catalog including but not limited to consumable office supplies, consumable non-office supplies, furniture and equipment. Any exceptions must be reported to the Comptroller and Texas Workforce Commission (TWC), including cost paid and reason for a qualifying exception to purchasing from the program.

Exceptions to this requirement:

- When the product or service available through the set-aside program does not meet the reasonable requirement of the agency. This may include an inability to meet product specifications or to deliver the needed product within a certain period of time.
- The inability to provide temporary services in certain regions of the state.

WorkQuest goods/services can be accessed via their website, <https://workquesttx.com/services-and-products/>

The State Use Report is a legislatively mandated report and must be submitted by the 15th of each month for exceptions purchased in the previous month.

UT Tyler departments that purchase a good(s) or services(s) from a non-WorkQuest source that is available from WorkQuest must submit the qualifying exceptions and supporting information for the previous month's purchases using the "State Use Exception Report" form that can be found in DocuSign. A reminder to submit the form will be provided to departments each month by the Procurement Services office via email.

eSHOP

eSHOP is an electronic online catalog shopping experience that will interface with UT Share/PeopleSoft. The eSHOP eProcurement system provides a familiar online shopping experience and negotiated pricing from The UT System's preferred suppliers for goods. eSHOP may be used for purchasing goods listed in the online catalogs including but not limited to consumable office supplies, consumable non-office supplies, furniture and equipment. Procedure training materials are available on the [Financial Services Training Resources](#) web page. Look for "eSHOP" in the title of the procedures for different topics.

Small Purchase Orders (less than \$15,000.00)

Purchase Orders for **less than \$15,000.00**, including freight and all additional service charges, may be issued without competitive bids. The following procedures are for the purchase of goods and/or services costing less than \$15,000.00, including freight and all related service charges.

1. Department Budget Authorities may be authorized for small purchase order privileges in an amount less than \$15,000.00 as established by the UT System Chancellor's office.
2. Originating department shall document detailed pricing (e-mail from vendor, copy of Web site, catalog page, etc.) to support audit requirements. For repairs, parts must be itemized separately from labor. Firm pricing, including freight, must be secured from the source of purchase before beginning a small purchase order.
3. Originating department shall create an electronic purchase requisition in UT Share/PeopleSoft based upon above pricing confirmation. All supporting documentation should be attached to the electronic purchase requisition.
4. Intentionally dividing large purchases into two or more small purchase orders in order to circumvent the stated limit is prohibited. Such action will constitute a violation of this policy.
5. Prior to placing the order for goods or services, each requisition for a small purchase order shall be electronically approved by a Department Budget Authority for his/her budgeted funds. Department Budget Authorities must review all supporting documentation and verify that sufficient funds are available to obligate UT Tyler for the purchase.
6. When the electronic purchase order has been approved and been dispatched to the end user via email, the Purchase Order shall be forwarded to the vendor by the department to fulfill the order. A Purchase Order must be issued to the vendor before the shipment and/or delivery of goods and prior to the performance of the services ordered.
7. The Procurement Manager's signature shall be electronically affixed to each printed purchase order.
8. All purchase orders must incorporate the UT Tyler Purchase Order Terms and Conditions which are available at the following link: <http://www.uttyler.edu/finserv/files/PO-Terms-and-Conditions.pdf>

Informal Bids/Quotes (\$15,000.00-\$50,000.00)

Purchases \$15,000.00 - \$50,000.00 including freight and all additional service charges shall require a minimum of three (3) informal bids/quotes. At least two (2) bids/quotes must be obtained from certified Texas HUBs, if available. Departments may obtain one (1) quote when utilizing a UT System Supply Chain Alliance (UTSSCA)/Premier contract.

Open Market Procurements (more than \$50,000.00)

Please contact the Procurement Services office immediately. Purchases more than \$50,000.00 including freight and all additional service charges shall require written formal bids/proposals/offers in response to a solicitation issued by the Procurement Services office unless the good(s)/service(s) is available utilizing an accredited Group Purchasing Organization (GPO). If the good(s)/service(s) is available under a UT System Supply Chain Alliance (UTSSCA)/Premier contract only one quote/proposal is required. All other GPO agreements require a minimum of three (3) quotes/proposals, of which at least two (2) bids/quotes must be obtained from certified Texas HUBs, if available.

Prior to the purchase a PeopleSoft requisition shall be prepared using “dummy vendor”, University of Texas at Tyler, ID# 38764 for all purchases not utilizing an accredited GPO (for purchases resulting from a solicitation issued by the Procurement Services office). All other purchases require a PeopleSoft requisition prepared using standard procedures. The department Budget Authority must approve the Requisition which then electronically routes to the Procurement Services office for processing.

When required, a solicitation shall be prepared and issued by the Procurement Services office with the assistance of the user department.

A Purchase Order will be issued by the Procurement Services office to the awarded vendor and end user will be notified via email.

Procurement Guidelines Matrix

Contract Value or PO Amount	Bid Requirement
Less than \$15,000.00	Bids Not Required
\$15,000.00 to \$50,000	Minimum of 3 Informal Bids/Quotes of which at least 2 bids/quotes must be obtained from HUBs, if available, unless utilizing a UTSSCA/Premier contract (contact Procurement Services)
Greater than \$50,000	Formal Bid/Proposal(s), unless utilizing a UTSSCA/Premier contract (contact Procurement Services)
Purchases using an accredited GPO other than UTSSCA (Less than \$1,000,000.00)	Minimum of 3 quotes/proposals of which at least 2 bids/quotes must be obtained from HUBs, if available. (contact Procurement Services)

Historically Underutilized Business

Qualifications to be a Historically Underutilized Business:

Must be a U.S. citizen, a for-profit entity that has not exceeded the size standard prescribed by 34 TAC §20.294, and has its principal place of business in Texas, and is at least 51 percent owned by an Asian Pacific American, Black American, Hispanic American, Native American, American woman and/or Service Disabled Veteran with a Service related disability of 20% or greater, who reside in Texas and actively participate in the control, operations and management of the entity's affairs.

Historically Underutilized Business Subcontracting Plan (HSP)

When the value of a purchase order or contract is expected to be \$100,000 or greater and there is a possibility for subcontracting, UT Tyler requires that the supplier complete a Historically Underutilized Business (HUB) Subcontracting Plan.

Accredited Group Purchasing Organization Contracts

Departments are encouraged to procure items from accredited GPO contracts. The Procurement Services office will review all requests to determine if the requested item(s) are listed under one of these contracts. Current accredited GPO's can be found at the following link:

<https://www.utsystem.edu/offices/business-affairs/group-purchasing-organization-gpo-accreditation-program>

Contractual Relationships

All solicitations of goods or services shall be processed in accordance with applicable policies and procedures. Any exception to stated procedures must be requested in writing and approved by the Procurement Manager. User departments should always establish a contractual relationship with a vendor prior to receiving any goods or services from the vendor. This contractual relationship can be established by using an approved purchase order (PO), an authorized Procard transaction, or a formal contract signed by a UT Tyler authorized signer and the vendor. Payments to vendors will be made only with a properly executed PO, an authorized Procard transaction or an authorized contractual agreement.

If a user department receives goods or services without first using the methods described above, the Budget Authority of the department responsible for the non-compliant purchase will receive a Notification of Non-compliant Purchase Memo from the Procurement Manager and will be required to complete The University of Texas at Tyler Unauthorized Purchase Justification routed to them via the most current e-Signature software used by the University (examples in the Appendix).

Delegation of Authority

Delegation of authority to execute and deliver contracts and agreements of any kind or nature is restricted to only the individuals listed at the following link:

<https://www.utsystem.edu/documents/docs/general-counsel-documents/2016/delegation-authority-charts>

Any contract/agreement for procuring goods and/or allowed services that requires the signature of an authorized University employee must have an approved PeopleSoft requisition, unless payment is to be made using a Procard, and then be submitted to the Procurement Services office using the UT Tyler Contract Approval Routing Form (CARF) template to obtain proper approval(s) and signature. The CARF template is available using the most current e-Signature software used by the University. Instructions for proper use of the form are found at the top of the form. After approvals/signature have been obtained a Purchase Order must be executed then forwarded to the vendor along with the contract/agreement. Then the vendor may deliver the goods and/or provide services.

Procurement Card Program

UT Tyler offers University departments a MasterCard Procurement Program for ordering supplies or allowed services. The program is a fast, flexible method of processing low dollar value purchases from vendors that accept the MasterCard credit card. This program is designed as an alternative to the traditional payment process and eases the process of purchasing for UT Tyler. The State of Texas Procurement Card (Procard) is not intended to avoid or bypass appropriate purchasing or payment procedures. This program compliments the existing processes available. The Procurement Card Program is authorized by a SPD contract with Citibank. With the Procard, one may purchase non-restricted commodities or allowed services directly from vendors without issuing a purchase order or entering an accounting transaction document. This program reduces the time and effort required to make purchases for UT Tyler. The use of the Procard to pay for a purchase does not exempt UT Tyler or its officers and employees from the purchasing requirements of state law, SPD regulations or applicable UT Tyler procurement requirements. For purchases of commodities costing \$5,000.00.00 or less the originating department may contact the vendor

to determine if the purchase may be made with the Procard. (Intentionally splitting purchases into multiple Procard transactions to circumvent the \$5,000.00.00 limit is prohibited.)

Information on the proper use of the Procard is available in the UT Tyler Procurement Card Program Policies and Procedures manual via the following link: <http://www.uttyler.edu/finserv/files/Procard-guide.pdf>

Exceptions to the Requirement for a Purchase Order

1. Authorized purchases made using the Procard.
2. Membership dues including incidental fees associated with a membership paid for by the University.
3. Registration fees for business conferences and athletic events.
4. Reimbursements to employees, prospective employee candidates or students.
5. Reimbursements to volunteers (unpaid service providers). Waiver required, contact Legal Affairs.
6. Goods and/or services to be provided by University departments, University bookstore or Sodexo Services of Texas.
7. Student awards (does not include scholarships).
8. Miscellaneous fees, including but not limited to, assessments, accreditations, royalties, copyrights, immigration services and others as approved by Financial Services.
9. Grant Pass-Through payments or Revenue Pass-Through payments.
10. Grant human research subject payments - no service performed.
11. Direct Billed Hotels for non-service provider or no fee service provider.
12. U.S. Mail and various other shipping/freight services. (Mail Room Only)
13. Direct Billed telephone land lines or facsimile lines.
14. Utilities (Physical Plant Only).
15. Referees and Umpires for Sanctioned Sporting Events.
16. Insurance Premiums.
17. Sponsorships of fundraising events hosted by non-profit organizations to include events and programs that support strategic initiatives in the community.

Sole Source or Proprietary Purchases

Purchases **\$15,000.00 or greater** for good(s)/services(s) in which an equivalent good or service specified is not available or is limited to one (1) manufactured good or service provider, then a written justification documenting sole-source or proprietary purchase must be provided to the Procurement Services office using the Exclusive Acquisition Justification Form (EAJ Form) available using the most current e-Signature software used by the University and include the following information:

- An explanation of the need for the specified goods or services
- Requirements of the stated specification which restrict the purchase to one good, manufacturer or provider
- The reason similar competing goods or services are not satisfactory
- Any other relevant information available to document the sole-source or proprietary nature of the purchase

Emergency Purchases

Please contact the Procurement Services office immediately. 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.

When the purchase of a good or service has been justified and needs to be processed on an emergency basis a written justification must be provided, using the EAJ Form, and include the following information:

- The reason for the emergency purchase by explaining what the emergency is and/or what caused the emergency situation.
- The financial or operational damage/risk that will occur if needs are not satisfied immediately.
- Why the needs were not or could not be anticipated so that goods/services could not have been purchased following standard procedures.
- The reason and process used for selecting the vendor.

Service Providers

Any individual providing a service for a fee of any amount who has not been classified as an employee is an Independent Contractor. All service providers classified as Independent Contractors are responsible for their own business expense activities. Purchase requisitions will include line items for both the service fee and agreed upon business expenses. Payment for both service fees and agreed upon business expenses will be made on Purchase Order Vouchers.

For Independent Contractors conducting business under their Social Security Number and not a Federal Employer Identification Number, an Authorization for Personal Service (APS) form must be completed and routed to Payroll for processing. The APS form is used for IRS tax compliance in classifying Independent Contractors. Service Providers are required to sign a University agreement. Contact Legal Affairs for the appropriate contract for your circumstance.

Blanket Open Market Orders

If an ordering entity is going to have a repetitive need for a product or service on an "as-required" basis, a blanket order should be considered. This can avoid the need to carry large inventories of the item or the expense of frequent open market purchasing. When establishing the blanket order include the following information along with a statement noting all deliveries will be ordered on an "as required" basis and none of the quantities are guaranteed:

- The beginning and ending time period for the blanket order;
- The estimated quantity.

Standing Open Market Orders

If an ordering entity has repetitive needs for a product and it can determine the quantity and the time the delivery is required, a standing order may be appropriate. Although this is similar to a blanket open market order, the products are not shipped on an as needed basis, but on predetermined schedule. The quantities are guaranteed because you have already committed to the shipments.

Requests for Proposals

Please contact the Procurement Services office immediately. A Request for Proposal (RFP) is a written request for proposals concerning goods or services UT Tyler intends to acquire when factors other than price will be considered in determining the awarded vendor. This procedure is similar to the open market procurement process; however, instead of sealed competitive bids, a negotiation phase is included and a

best and final offer is permitted. The RFP specifications or statement of work and evaluation criteria must be approved by the Procurement Services office.

Recycled/Remanufactured Goods

Whenever possible, procurement staff and user department shall specify recycled/remanufactured goods, or their use.

Federal Funds

All procurements of supplies, equipment and services utilizing Federal Funds (e.g., Federal Grant or Contract) shall be made in accordance with all applicable federal rules and regulations such as the Federal Acquisition Regulations (FAR), Federal Office of Management and Budget (OMB) Circular A-102, and OMB Circular A110.

Preferences

As an agency of the State of Texas and as a public institution of higher education UT Tyler has a responsibility to support matters of public policy. When awarding a PO/Contract the entities and those entities who provide good(s)/services(s) described in Texas Government Code § 2155.441 through Texas Government Code § 2155.452 should be given preference when applicable good(s)/service(s) can be supplied by these entities: See the entities and the good(s)/service(s) at the following link:

<https://statutes.capitol.texas.gov/Docs/GV/htm/GV.2155.htm>

Interagency Contracts

When one agency of the State requires the services and/or supplies of another agency, an interagency contract must be initiated. The Office of Legal Affairs will assist in the preparation of the contract. The originating department must process a purchase order to facilitate the encumbrance of funds and payment for such goods and services.

Leases and Rentals

Lease agreements for space must be processed in accordance with the UT System Policy on Real Estate Contracts, UTS126. The originating department must contact the Office of Legal Affairs for assistance. All rental agreements must be processed by the Office of Legal Affairs. Purchase order limits and Best Value procedures apply.

Acquisition of Surplus Property

The Federal and State surplus property programs are administered by the Texas Facilities Commission (TFC) as set forth in Texas Government Code, Chapter 2175. Each program has its own law, rules, and procedures.

A list of available surplus property and agency contacts is updated nightly and is available on the Internet at the following address: <http://tfc.state.tx.us/divisions/supportserv/prog/statesurplus/political-subdivisions-and-non-profits/property-available-for-transfer.html>.

- **Federal:**

State agencies, political subdivisions, and certain nonprofit organizations are eligible to receive federal surplus property through TFC. Participating groups must be approved by TFC as eligible according to federal regulations to receive donated property.

The federal surplus property program operates on a cost recovery basis; it is not funded by the legislature. Participants pay a handling fee, which is a fraction of the original acquisition cost, to obtain property through the program.

Federal surplus property is distributed through two districts in Texas. The North District is located in Fort Worth and the South District is located in San Antonio. Each regional office operates a warehouse where surplus property is collected, sorted, and stored prior to distribution. Participating

organizations can send authorized representatives to either warehouse to inspect and obtain property. Opportunities also exist for participating agencies to pick up property at government locations that may be located at a site closer to them than a district warehouse.

- **State:**
State agencies that have surplus property are required to list it on the Comptroller of Public Accounts website for 10 business days. During that time only eligible entities, including other state agencies, political subdivisions, and approved assistance organizations can obtain the property.

During the 10-day period, the agency that owns the property determines the price, if any, for each item. State agencies have priority over all other eligible entities during the 10- day period. If no state agency requests the property, the first political subdivision or assistance organization that commits to the price is entitled to the property. State agencies and political subdivisions automatically qualify to receive surplus property.

Trade-Ins

UT Tyler may trade-in equipment that it owns for new property of the same or similar type if it is in the best interest of the state. However, a state agency may not trade in property that has been declared either surplus or salvage; such property must be disposed of under applicable state law or CPA's surplus property program. Furthermore, trade-ins are not allowed on CPA term contracts or scheduled purchase items.

Before making any trade-in, a department should request records from Asset Management to document the age, depreciable value, condition, make, model and serial number (if applicable) of the used equipment and identify its approximate value. If the University could reasonably realize greater cost savings by declaring the equipment as surplus or salvage, the equipment should be disposed of under applicable state law or CPA's surplus property program.

However, if the University determines that a trade-in offers the best value to the state, the University shall in addition to the above requirements include in the solicitation document the following:

- Less trade-in at University's option: to be picked up by the successful bidder where is, "as is" as per the University's terms and conditions. Provide a deadline in terms of the number of days for the vendor to remove the used equipment; and
- Each type of trade-in allowance must be shown on the solicitation document as an individual line item;
- Used equipment will not be released to the vendor on a trade-in until the purchased equipment is received unless the University receives a bond, letter of credit or similar instrument as collateral. If a lease has a trade-in feature, it is highly recommended that the trade- in value be applied to the first six (6) months of the lease.

If not used as a trade-in, the equipment must be disposed of as surplus or salvage property. Contact Asset Management for further information about disposal.

Used Equipment

As a rule, the purchaser should procure new equipment, but sometimes it is necessary or advantageous to purchase used or demonstrator equipment and supplies. The most common reasons are:

- the inability to secure new equipment;
- the lack of adequate funds for new equipment; or
- a determination that used equipment will satisfy the agency's need at a substantial savings.

To purchase used and demonstrator equipment the ordering entity must:

1. obtain a minimum of three (3) signed bids which have been properly prepared whenever possible;

2. if only one bid is received, prepare a statement explaining why no competition exists;
3. provide a letter or signed statement from the bidder(s) guaranteeing quality and condition of the merchandise offered;
4. provide a letter from an authorized person connected with the ordering entity that states that the equipment or supplies have been personally examined and describes the condition and value of the equipment or supplies.

Consulting and Professional Services Contracts

Consulting services should be procured in accordance with the best value standards in the Texas Education Code, Section 51.9335.

Professional services shall be procured in accordance with Subchapter A, Chapter 2254, Texas Government Code.

Goods/Merchandise Bearing UT Tyler's Name and/or Logo

All merchandise (shirts, pens, notepads, etc.) bearing UT Tyler's name and/or logos must be produced by a licensed vendor who is authorized to use UT Tyler's registered marks. Vendors are licensed through UT Trademark Licensing and Learfield Licensing Partners, not UT Tyler. For more information, consult the [brand identity](#) site or contact the Office of Marketing and Communications.

Information Technology Related Purchases

Please refer to [IT Related Purchases for University Use](#) for additional information and requirements for computers, software, related devices and services.

TAXES

Texas Motor Fuel Taxes

UT Tyler is not exempt from payment of the Texas Motor Fuel tax and will approve payment of this tax.

State Sales Taxes

UT Tyler is exempt from State of Texas sales tax under the Texas Tax Code, Section 151.309(4) for purchase of tangible personal property for the exclusive use of the State of Texas. The Department of Financial Services and the Procurement Services office have Sales Tax Exemption Certificates to be provided to vendors if such a need arises.

UT Tyler is not exempt from other state's sales tax and may pay sales tax assessed by other states.

Federal Excise Taxes

UT Tyler is exempt from the Federal Excise Tax.

VENDOR ISSUES RELATED TO PROCUREMENT

Debarred Vendor List

Prior to the purchase of any good(s) and/or service(s) by any of the methods described above the UT Tyler employee responsible for the purchase is required to verify that the vendor providing the good(s)/service(s) is not debarred from doing business with the State of Texas. To access the most current list of debarred vendors use the link below.

<https://comptroller.texas.gov/purchasing/programs/vendor-performance-tracking/debarred-vendors.php>

Federal Excluded Persons List System (EPLS)

Pursuant to SPD rules, the state may consider debarment actions by other government entities as possible indicators of vendor responsibility. Prior to awarding any contracts, state agencies and qualified local government purchasing entities are reminded to check the list of vendors excluded from doing business at the federal level by utilizing the Federal Excluded Persons List System (EPLS) at <http://www.epls.gov>.

Additionally, in compliance with Executive Order #13224 "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism," state agencies and qualified local government purchasing entities are responsible for ensuring they do not enter into transactions with or issue payments to those individuals or organizations identified in the Office of Foreign Assets Control list of Specially Designated Nationals (SDN) and Blocked Persons. The list may be found at <http://www.ustreas.gov/offices/enforcement/ofac/sdn/>.

Vendor Protest Procedure

UT Tyler shall comply with UT System Policy regarding "Protest Procedures Related to Procurements of Goods and Services, UTS148." This policy has been implemented to comply with Section 2155.076 of the *Texas Government Code* requiring the development of protest procedures related to the procurement of goods and services. In general, the primary procurement officer will:

- Attempt to resolve and settle a protest concerning the solicitation or award of a contract.
- Issue a written determination regarding a protest if that protest is not resolved.
- Inform the protesting party and the originating department by letter of the determination, reasons for the determination, and any remedial action.
- Retain all documents related to a protest filed with an institution in accordance with that institution's records retention policy.

The Chief Business Officer shall consider and issue a written decision regarding appeals of the primary procurement officer's written determination of a protest.

Breach of Contract Claims

To the extent that Chapter 2260, Texas Government Code, is applicable to a contract and is not preempted by other applicable law, the dispute resolution process provided for in Chapter 2260 and the related rules adopted by the Texas Attorney General pursuant to Chapter 2260, shall be used by UT Tyler and Contractor to attempt to resolve any claim for breach of contract made by Contractor that cannot be resolved in the ordinary course of business. The Chief Business Officer of UT Tyler shall examine Contractor's claim and any counterclaim and negotiate with Contractor in an effort to resolve such claims.

Disputes Related to Failure to Meet Requirements, Damages or Shortages

All merchandise should be checked and accounted for as soon as possible after receipt. If a vendor fails to meet the requirements in the specifications or statement of work the department originating the purchase shall promptly notify the vendor. Payment shall not be made until the matter is satisfactorily resolved. Assistance is available from the Procurement Services office staff. Many vendors have a 10-day notification deadline for filing a report. Keep all packing, crates, cartons, etc., with the merchandise until a thorough examination has been given the merchandise. Freight carriers require the original packing, carton, etc., if called upon to investigate a damage or loss claim. Contact the Central Receiving Department should a problem pertaining to damages or shortages arise on a shipment.

Disputes Related to Invoices

UT Tyler shall notify a vendor of an error in an invoice submitted for payment by the vendor not later than the 21st day after the date the invoice is received. If the dispute is resolved in favor of the vendor, the vendor is entitled to receive interest on the unpaid balance of the invoice submitted by the vendor beginning on the date that the payment for the invoice is overdue. If a dispute is resolved in favor of UT Tyler, the vendor shall submit a corrected invoice that must be paid within 30 days of receipt of the corrected invoice.

Vendor Performance Reporting

SPD administers a vendor performance program for use by all ordering entities per 34 Texas Administrative Code §20.108). SPD also administers a Debarment Program (Texas Government Code § 2155.077). The Vendor Performance Program relies on participation by ordering entities to gather information on vendor performance.

The UT Tyler Procurement Services office shall report vendor performance on all purchases over \$25,000. The Vendor Performance Form (VPF) is submitted electronically, by the Procurement Services office Buyer responsible for the procurement, utilizing the SPD Web Applications Portal.

Both exceptional and poor vendor performance should be documented. UT Tyler will document in writing any problems concerning a vendor's performance. UT Tyler will maintain all invoices, records, and relevant documentation explaining why the goods or services were not satisfactory and what corrective action is expected.

Vendor performance information is located in the Vendor Performance Tracking System at the following link: <http://www.txsmartbuy.com/vpts>

REFERENCES

Texas Education Code, Section 51.9335

Texas Government Code, various sections

Texas Tax Code, Section 151.309(4)

The State of Texas Procurement and Contract Management Guide

UT System Regents Rules and Regulations, various sections

UT System System-wide Policies (UTS Policies), various sections

UT Tyler Handbook of Operating Procedures (HOP)

OMB Circular A-102 and A-110

APPENDIX

Appendix A - The University of Texas at Tyler Notification of Non-compliant Purchase Memo

Appendix B - The University of Texas at Tyler Unauthorized Purchase Justification

Appendix C - Quick Reference Guide

MEMO

Office of Financial Services

To: [Name of Initiating Employee](#)

From: Paul Fitts, CTPM, Procurement Manager

CC: Kim Laird, Vice President of Budget and Finance / Chief Financial Officer
[Employee Supervisor](#)
[Department Budget Authority](#)
[Division Vice President](#)

Date: [XX/XX/XXXX](#)

Re: Notification of Non-compliant Purchase

The Procurement Services office has been made aware of an unauthorized purchase that was initiated by you to [Vendor Name](#) in the amount of [\\$00.00](#).

Purchases are to be made in compliance with the appropriate laws, rules and regulations and follow sound business practices.

From The University of Texas at Tyler Procurement Procedure Manual:

Compliance with Laws, Rules and Regulations

All University of Texas at Tyler (UT Tyler) personnel involved in purchasing are expected to follow proper purchasing procedures including but not limited to laws, rules and regulations of the State of Texas, Texas Comptroller of Public Accounts Statewide Procurement Division (SPD), the Department of Information Resources (DIR), The University of Texas System and UT Tyler.

Failure to comply with the laws, rules and regulations and to follow sound business practices may result in the employee having to pay for the non-compliant purchase and/or other disciplinary action(s) in accordance with University policies and procedures including termination for cause. The employee responsible for a non-compliant purchase will receive a Notification of Non-compliant Purchase Memo from the Purchasing Manager and will be required to complete The University of Texas at Tyler Unauthorized Purchase Justification routed to them via most current e-Signature software used by the University (examples in the Appendix).

The sources of these laws, rules and regulations are found in the Government Code, Chapters 2151 through 2158; the Education Code, Chapter 51 and Chapter 54; the General Appropriations Act; the Texas Administrative Code, Title I, Part 5; The State of Texas Procurement Manual; The University of Texas System Regent's Rules, Rule 20901, and The University of Texas System Policy 159.

Please complete the related Unauthorized Purchase Justification form sent to you via most current e-Signature software used by the University from the Procurement Services office and route to obtain the appropriate signatures and payment determinations.

APPENDIX B

The University of Texas at Tyler
Unauthorized Purchase Justification

Initiating Employee:	Date:
University Department:	
Vendor:	
Amount: \$	Purchase Date:
Description of item(s) or service(s) purchased:	
Reason and/or explanation for unauthorized purchase:	
Explain what actions have been taken to prevent further non-compliance of established Purchasing Policies and Procedures:	
Please attach all necessary supporting documentation. (including, but not limited to, purchase order and/or contract, invoice, Best Value Justification, EAJ Form, etc.)	
Approval for Payment by University	
Employee's Supervisor	Date
	Approved Declined
Department Budget Authority	Date
	Approved Declined
Division Vice President	Date
	Approved Declined
Purchasing Manager	Date

QUICK REFERENCE GUIDE

Procurement Guidelines Matrix

Contract Value or PO Amount	Bid Requirement
Less than \$15,000.00	Bids Not Required
\$15,000.00 to \$50,000	Minimum of 3 Informal Bids/Quotes of which at least 2 bids/quotes must be obtained from HUBs, if available, unless utilizing a UTSSCA/Premier contract (contact Procurement Services)
Greater than \$50,000	Formal Bid/Proposal(s), unless utilizing a UTSSCA/Premier contract (contact Procurement Services)
Purchases using an accredited GPO other than UTSSCA (Less than \$1,000,000.00)	Minimum of 3 quotes/proposals of which at least 2 bids/quotes must be obtained from HUBs, if available. (contact Procurement Services)

PROCUREMENT PROCESS FLOW

To begin the purchasing process, user departments should:

STEP ONE- ANY DOLLAR VALUE

- Determine functional specifications, requirements and specific quantities for goods and/or services needed.

STEP TWO- ANY DOLLAR VALUE

- Calculate the estimated total dollar amount of the purchase for budgeting purposes. (UT Tyler purchases are exempt from state sales tax).

STEP THREE- ANY DOLLAR VALUE

- Determine the source of funds (local, gift, grant, etc.) and identify the cost center for the purchase transaction.

STEP FOUR- ANY DOLLAR VALUE

- Is the Item and/or Service Available from WorkQuest?

We are required to purchase goods and/or services from suppliers available through the State Use Program including WorkQuest (formerly TIBH) unless certain exceptions are met. Many goods are available in the online catalog including but not limited to consumable office supplies, consumable non-office supplies, furniture and equipment. Any exceptions must be reported to the Comptroller and Texas Workforce Commission (TWC), including cost paid and reason for a qualifying exception to purchasing from the program.

STEP FIVE- ANY DOLLAR VALUE

- Is the Item Available from eSHOP?

eSHOP may be used for purchasing goods listed in the online catalogs, including but not limited to consumable office supplies, consumable non-office supplies, furniture and equipment, from UT System's preferred suppliers. See page 5.

STEP SIX- ANY DOLLAR VALUE

- Is the Item and/or Service Available from a University of Texas System Supply Chain Alliance (UTSSCA)/Premier Contract?

UTSSCA/Premier Contracts are accredited GPO contracts that have different bid/proposal requirements than the other GPO contracts. See page 6. Please contact the Procurement Services office for assistance.

APPENDIX C

STEP SEVEN- ANY DOLLAR VALUE

- **Is the Item and/or Service Available from another Accredited Group Purchasing Organization (GPO) Contract?**

See page 6. Please contact the Procurement Services office for assistance.

STEP EIGHT- \$15,000 AND GREATER, INCLUDING FREIGHT & ALL ADDITIONAL SERVICE CHARGES, THAT ARE NOT AVAILABLE USING STEPS 4-7

Please contact the Procurement Services office for assistance in procuring goods and services required by your department at the specified quality and quantity levels in a timely manner consistent with best value principles.

PROCUREMENT SERVICES OFFICE – SERVICES PROVIDED & CONTACT INFO

Assists with UT Share/PeopleSoft and eSHOP questions or issues

Assists with Small Orders

Processes Purchase Order Change Requests

Assists with Match Errors

Advises campus regarding solicitations of \$15,000 or greater

Processes Formal Solicitations

Advises campus users regarding Exclusive Acquisition Justification forms

Advises campus users regarding Contract Approval Routing forms

Advises campus users regarding Historically Underutilized Businesses

Procurement Office

purchasing@uttyler.edu

Historically Underutilized Business Office

HUB@uttyler.edu

Paul Fitts, CTPM, Procurement Manager & HUB Coordinator

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Sheila Darcey, CTPM, Buyer III

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Daniel Pippin, CTCD, Buyer II

dpippin@uttyler.edu