



PROCUREMENT PROCEDURES HANDBOOK

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Procurement Procedures Handbook

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1. INTRODUCTION AND RESOURCES

A. Introduction

Texas State University Procurement & Strategic Sourcing (P&SS) Office assists departments with procuring goods and services to sustain, foster, and support the educational and research missions of the university.

The P&SS Office operates within the [Finance and Support Services Division](#), under the direction of the Associate Vice President for Financial Services. The [P&SS Staff](#) is comprised of the Director, Assistant Directors and a team of buyers and support staff.

The P&SS Office is located in Suite 527 of the [JC Kellum](#) building and is open from 8 a.m.-5 p.m., Monday-Friday, excluding [university holidays](#).

B. Overview of P&SS Office Functions

The P&SS Office performs the following primary tasks:

- Facilitates the procurement of goods and services to support the research, programs, and activities of the university
- Uses best practices to obtain the highest quality equipment, supplies, and services at the best value” for the university
- Develops strategic supplier relationships
- Processes formal competitive solicitations and other complex procurements
- Negotiates terms and conditions with suppliers
- Ensures compliance with university policies, The Texas State University System, the state of Texas, and federal laws, rules, and procedures
- Reviews and processes contracts for the university
- Champion the Historically Underutilized Program (HUB) to ensure equal opportunity to Texas’ diversity suppliers.
- Manages the P-Card program
- Maintains vendor records to ensure compliance and reduce potential fraud
- Supports departments with formal solicitations

C. Resources

- [TSUS Contract Management Handbook](#)
- [State of Texas Procurement and Contract Management Guide](#)
- [Centralized Master Bidders List \(CMBL\) & Historically Underutilized Business \(HUB\) Search](#) (Master database of vendors registered with the State of Texas)

2. AUTHORITY TO OBLIGATE

A. Authority and Authorization

The President has authority to enter into contracts on behalf of the university provided that the contract does not require approval from the chancellor or the Board of Regents (refer to [UPPS No. 03.04.02](#) for Delegated Purchasing Authority)

The President may delegate signature authority to specific positions. The list of delegations can be found in the Delegated Signature Authority List (<http://www.fss.txstate.edu/contracts.html>). Only the President, or delegate(s), as explicitly allowed, shall sign contracts regardless of the amount.

B. Authorized Purchasing Methods

Purchase of goods and services requires the issuance of a purchase order or the use of a Procurement Card (P-Card). Purchases for the university made by faculty, staff, and students using personal funds are not authorized and will only be reimbursed as an exception and in accordance with the [Reimbursement of University Business Expenses Paid from Personal Funds](#). For information about the following topics, see the appropriate section of the Purchasing Procedures Handbook:

- Purchase order procedures see: 4. [Purchasing Process](#)

3. PURCHASING ETHICS

A. Introduction

The standards governing ethical behavior for all of The Texas State University System (TSUS) component institutions is published on The Texas State University System Ethics website under [Chapter VIII Section 4, Code of Ethics, in the Rules and Regulations.](#)

In addition to the TSUS standards, the following guidelines govern purchasing practices at Texas State University:

- Every effort will be made by the university to obtain the maximum and best value for each dollar of expenditure.
- University purchasing agents, their staff, and others authorized to make purchases shall not accept personal gifts or gratuities that might in any way result in an obligation to individuals or firms seeking business with the university.
- Honesty in sales representation is the only standard accepted by the university, whether offered through the medium of oral or written statement, an advertisement, or a sample of the good(s).
- All qualified, capable, and experienced firm(s)/individuals will be given equal opportunity to submit a solicitation response on a uniform basis when competition is possible.
- No vendors will receive special consideration or be allowed to revise their offers after the time set for opening responses, except in the cases as allowed per statute.

B. Ethics Considerations for Faculty and Staff

Faculty and staff who have influence over purchasing decisions should specifically be aware of the following sections from the [TSUS Rules and Regulations](#) Chapter VIII:

- **Conflicts of Interests – Chapter VIII, Section 3**

Officers and employees of TSUS System may not have a direct or indirect interest, financial or otherwise, that is in substantial conflict with the proper discharge of their job duties. Potential conflicts of interest shall be disclosed.

- **Gifts – Chapter VIII, Sections 4 and 5**

An employee should not accept or solicit any gift, favor, service, or loan that might reasonably appear to influence the employee in the discharge of official duties. **Note:** Accepting a gift may constitute a criminal offense under certain circumstances.

- **Self-Dealing – Chapter VIII, Section 10**

An employee may not 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.

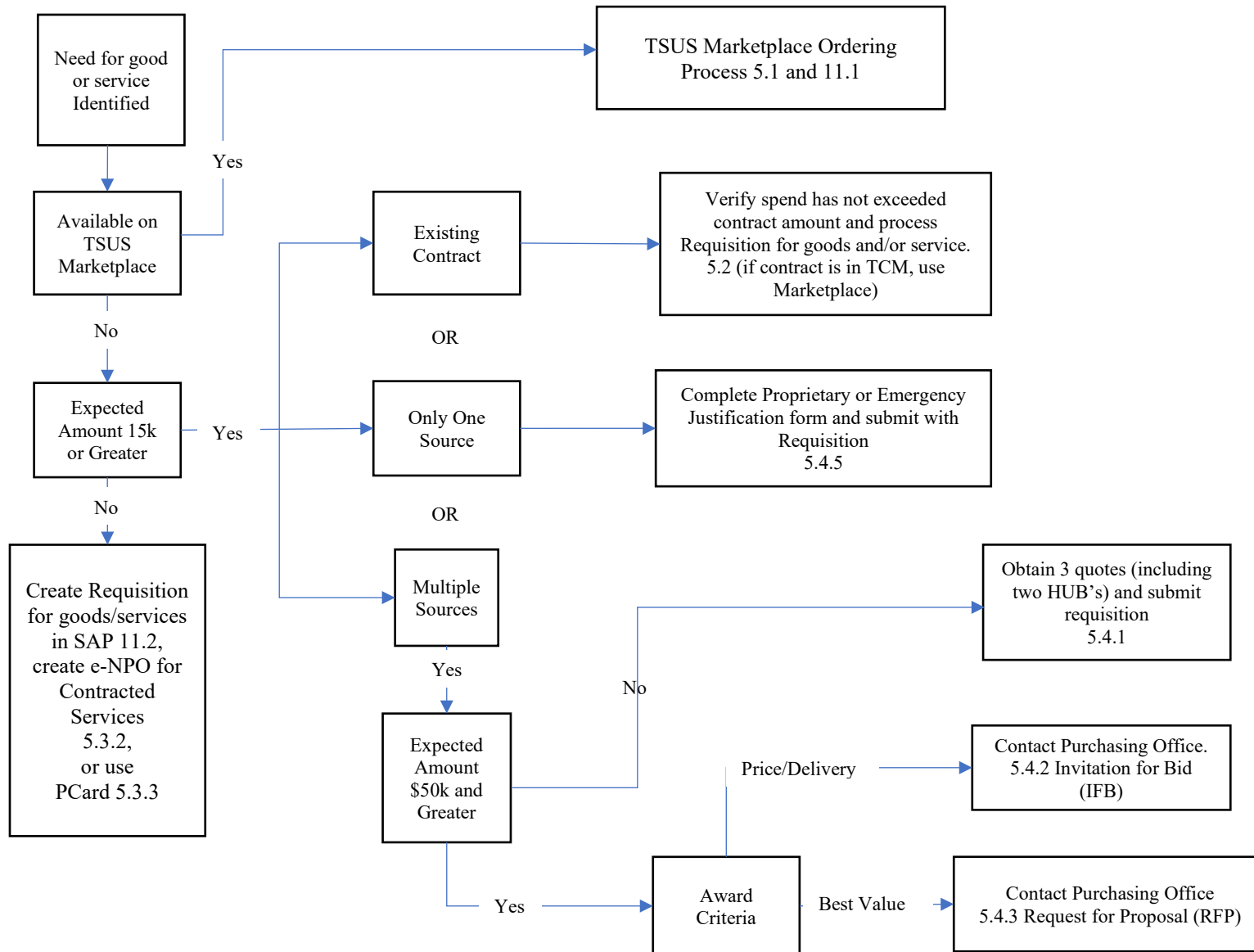
- **Benefits for Performing Official Duties – Chapter VIII, Sections 4 and 5**

An employee should not solicit, accept, or agree to accept any benefit for having exercised official powers or for having performed official duties.

Faculty and staff who participate in the evaluation of solicitation responses are required to sign and abide by a Non-Disclosure Statement that applies specifically to the solicitation being evaluated. Evaluation team members shall sign a separate agreement for every solicitation they are asked to evaluate.

Any violations of these purchasing ethics will be reported promptly by the P&SS Office at Texas State University to the Associate Vice President for Financial Services.

4 PURCHASING PROCESS: The purchasing workflow diagram below identifies the appropriate procedure for a given situation and provides a link to the procedure.



A. Identify Need for Goods or Services

Before a department can begin the purchasing process, the end user shall identify the specific need for a good or service by defining the specification or Scope of Work (SOW) to include the following:

- description of good/service
- quantity needed
- quality of good/service
- date needed by
- estimated cost

B. Solicitation of Price Quotes

Once the SOW has been defined, the correct solicitation process can be determined. Solicitation methods are generally determined by the estimated dollar value of the good or service to be purchased. A department may solicit quotes (informal bids) from suppliers for purchases \$50,000 and below. Purchases with a value expected to be \$50,000.01 or greater will require formal solicitation by the Procurement & Strategic Sourcing Office a delegated department shall use one of the following solicitation processes when procuring goods or services for the university:

Dollar Range		Solicitation Process	Procurement Type
\$0	\$14,999.99	Competitive quotes are encouraged but not required. A department may solicit a quotation from a single source and issue a purchase order at the department’s discretion.	Requisition for goods or services
\$15,000	\$50,000	A department is required to obtain a minimum of three quotes from vendors on the CMBL list and attach them to the requisition submitted to the P&SS Office. A good-faith effort shall be made to include at least two quotes from Texas-certified HUBs from the CMBL list. A Proprietary Justification or Emergency Purchase form may be used if appropriate. For more information about justifications, see the Purchasing Procedures Handbook 5.4.6 Proprietary Procurement. A contract may be required. Contact Procurement and Strategic Sourcing.	Requisition for goods or services
\$50,000.01	\$500,000	Formal solicitation by the P&SS Office may be required. Consult with the P&SS Office to determine the appropriate procurement method. A Proprietary or Emergency Justification .	Contact P&SS Office

		Purchase may be used, if appropriate. For more information about exclusive acquisition justifications, see the Purchasing Procedures Handbook 5.4.5 Proprietary Procurement. A contract is required.	
\$500,000.01	\$1M	Formal solicitation by the P&SS Office, or delegated department, may be required. Consult with the P&SS Office to determine the appropriate procurement method. A contract is required.	Contact P&SS Office Chancellor's Approval Required
>\$1M		Formal solicitation by the P&SS Office, or delegated department, may be required. Consult with the P&SS Office to determine the appropriate procurement method. A contract is required.	Contact P&SS Office Board of Regents Approval Required

The University has access to many competitively awarded contracts that can be used to save time in the purchasing process by removing the need for bidding. Contracts (those utilized by the university) can be found by searching in our TSUS Marketplace or by contacting the [P&SS Office](#). For more information about the use of contracts, see the Purchasing Procedures Handbook 5.2 [Utilizing Existing Contracts](#).

C. Issuance of Purchase Order

Purchase orders shall be issued prior to the shipment of a good or the delivery of a service to be compliant with university policy and procedures. Payment Vouchers (FS-03) are an exception to this rule.

After obtaining price quotes, the requesting department creates a requisition in SAP or the TSUS Marketplace. Upon final approval of the requisition, a purchase order is created. The purchase order is a contractual document that specifies description, price, quantity, delivery, and terms and conditions.

Note: Special payment terms shall be approved by the Procurement and Strategic Sourcing office. Purchase orders shall be approved/signed with the appropriate delegated authority prior to being issued to a supplier.

D. Delivery and Receipt

When the good or service is received at the proper destination, receipt is documented to allow for payment. Items can be delivered directly to the department (desktop delivery) or to [Central Receiving](#).

Texas State's Marketplace and SAP purchase orders require entry of a goods receipt in SAP. There are some exceptions in the TSUS Marketplace do not require a goods receipt, and example is Staples. Follow the [Goods Receipt Using Z_MIGO](#) instructions for entering goods receipts on purchase orders.

- For departmental delivery, the requesting department shall enter the receipt within 72 hours of the delivery. If shipments for a purchase order are split over multiple days, a goods receipt should be entered for each partial shipment. Receipts are updated and finalized in the system daily. Receipts for items delivered to Central Receiving are created by central receiving personnel.
 - The individual (receiver) receiving the shipment shall be different than the buyer/requisitioner.
 - The receiver is responsible for signing and dating all invoices and/or packing slips. If the receiver verifies a shipment via email, a digital certificate shall be attached to the email.

Departmental delivery is required for certain items, including:

- Live animals or plants
- Bottled gas
- Gasoline (bulk deliveries)
- Concrete, sheet rock, plate glass
- Food for human consumption
- Items that are overly large or heavy (some furniture and equipment)

For questions about delivery through Central Receiving, contact the [Materials Management and Logistics Department](#).

E. Payment

Payment for invoices is generated in the following ways:

- For paper invoices if the items were received via:
 - Central Receiving - Accounts Payable manually verifies and matches receipt of the service or good, paper invoice, and issued purchase order. If all three match, Accounts Payable creates the payment voucher.
 - Departmental receiving - The requesting department manually verifies receipt of the service or good and creates the goods receipt.

***NOTE – for quicker processing please ensure PO# is listed on the invoice.**

- For electronic invoices, when the invoice is received, it is electronically matched with the purchase order and the receipt document. Once the match occurs, a payment voucher is auto created.

5. PROCUREMENT PROCEDURES - OVERVIEW

5.1 TSUS MARKETPLACE (ANY DOLLAR AMOUNT)

A. Introduction

TSUS Marketplace is an electronic procurement system that enables shoppers to browse for goods across multiple supplier catalogs, select items for purchase by placing them into a virtual shopping cart, and assign carts to an authorized Texas State requisitioner. Requisitioners make the decision to check carts out and submit them as requisitions. Approvers (Account Managers) review and approve the requisitions. Approved requisitions become purchase orders and are then electronically dispatched to the suppliers.

B. TSUS Marketplace Roles

Users can have one or multiple roles in the systems. Instructions for viewing your role is located in the [TSUS Marketplace User Guide](#).

Shopper:

- Authorization: Any current university employee can access TSUS Marketplace as a shopper.
- Actions: A shopper can browse catalogs for available items, put items in a shopping cart, and assign the shopping cart to a requisitioner for review. A shopper cannot check out a cart but shall assign the cart to a requisitioner to complete the order.

Requisitioner:

- Authorization: Determined by your job title.
- Actions: A Requisitioner can shop, check out the shopping cart, and create a requisition. Once the Requisitioner completes and submits the requisition, the document will route for approvals. The routing path is determined by the account number(s) used on the document, dollar amount, and General Ledger (GL) number.

Approver:

- Authorization: Anyone that is in the requisition's approval workflow.
- Actions: An approver can review and approve the requisition. The document may reach final approval at the departmental level or may route to other areas for additional approval, including the Procurement & Strategic Sourcing Office, the Office of Sponsored Projects, Environmental Health and Safety, etc.

C. TSUS Marketplace Process

The [TSUS Marketplace User Guide](#) can be accessed on the P&SS website.

D. Benefits of procuring through the TSUS Marketplace

Processing orders in TSUS Marketplace results in many benefits to the university including reduced processing time, lower cost, greater administrative control, and lower administrative costs.

- Shoppers can save frequently ordered items in "favorites" lists, eliminating the need to search for them later.
- Pricing provided by TSUS Marketplace home page vendors are pre-negotiated by the university, eliminating the need to call suppliers for a price quote.
- Requisition information is populated electronically from the supplier's catalog, resulting in fewer order entry errors and less data entry for the department.
- Purchase orders are electronically created and dispatched; administrative personnel do not have to contact suppliers directly for order placement.
- Suppliers receive purchase orders electronically and many suppliers can immediately begin fulfilling orders.
- All purchases are reviewed and approved prior to order dispatch, and funds are encumbered.
- Regardless of where items are delivered, all invoices and payments for TSUS Marketplace punchout orders will be processed by Accounts Payable, eliminating the need for departments to receive invoices.

5.2 UTILIZING EXISTING CONTRACTS (ANY DOLLAR AMOUNT)

There are a variety of contracts that are available to faculty and staff for the purchase of goods and services. These contracts have already been competitively solicited and are in compliance with terms and conditions that are acceptable to Texas State University. These contracts are utilized by submitting a requisition which references a specific contract number.

Types of Contracts

A. Texas State University Contracts

University contracts are agreements that have been competitively bid by the university for certain goods and services.

Processing Guidelines: A requisition is submitted through SAP with the contract number referenced in the header notes or submitted through the TSUS Marketplace in the Supplier/Line-Item Details section. If there is already a contract number in this area, there is no need to choose a different one.

B. Texas State University System Contracts

Texas State University System Contracts are contracts that have been competitively bid by the System Offices for certain goods and services.

Processing Guidelines: A requisition is submitted through SAP with the contract number referenced in the header notes.

C. State of Texas Contracts

State Contracts are contracts that have been competitively bid by the State of Texas for certain goods and services. There are a variety of contracts available for use by state of Texas agencies.

Processing Guidelines: Visit the respective websites below and identify the items you would like to procure and create a requisition with an attachment that identifies what items you want and the quantity of each item.

- [TxSmartBuy Contract Index](#)
Art supplies, service awards, bookbinding, laboratory equipment and supplies, computer accessories, rubber stamps, janitorial supplies, furniture, business cards, etc.
- [Managed Contract Index](#)
Lab equipment and supplies, animal feed, laundry services, document destruction, print shop, mail services, etc.
- [Texas Multiple Award Schedule \(TXMAS\)](#)
Furniture, chemicals, scientific equipment, audio/visual equipment, various services (office moves, event planning, consulting, training, etc.), apparel, boats/carts/vehicles, etc.
- [Department of Information Resources \(DIR\)](#)
Computers, hardware, software, telecommunications, networking, training, IT services, etc.

D. Cooperative Purchasing Networks (Group Purchasing Organizations)

The university belongs to a number of Cooperative Purchasing Groups (CO-OP) for the purpose of aggregating spend volume with other purchasers to achieve contracts with advantageous prices and services. These contracts are accessed through the use of a purchase order that references the specific CO-OP contract being used.

Sales representatives whose companies have contracts with participating CO-OPs can provide information to faculty and staff regarding the specifics of those contracts. The contract type and number shall be included on all sales quotes. In addition, P&SS Office staff members are familiar with CO-OP contracts and can provide assistance to faculty and staff in procuring goods and services.

Processing Guidelines: The requester will obtain a quote from the vendor which shall include the contract number of the CO-OP. The requester will then create and submit a requisition with the quote attached and reference the CO-OP contract number in the header notes.

Texas State University currently allows use of the following CO-OPs:

1. CO-OPs Approved for Use

- [BuyBoard \(logon required\)](#)
- [Choice Partners \(logon required\)](#)
- [Educational & Institutional Cooperative Services \(E&I\)](#)
- [Education Service Center – Region 19 Allied States Cooperative](#)
- [First Choice \(logon required\)](#)
- LCRA
- [National Cooperative Purchasing Alliance \(NCPA\)](#)
- [Sourcewell](#)
- [NPPG \(logon required\)](#)
- [Provista \(logon required\)](#)
- [TIPS/TAPS](#)
- [UT Supply Chain Alliance](#)
- [OMNIA Partners](#) (National IPA, U.S. Communities)

Note: Please contact purchasing for websites that require a logon as identified above.

5.3 PURCHASES UP TO \$14,999.99 (NOT AVAILABLE IN MARKETPLACE OR EXISTING CONTRACTS)

5.3.1 Goods and/or Services up to \$14,999.99 (not under contract):

Processing Guidelines:

Submit a requisition in SAP with a quote attached. The [REQ to Check User Guide](#) has step-by-step instructions on how to create a requisition in SAP.

5.3.2 Contracted Service Agreements up to \$14,999.99:

Processing Guidelines:

- If the vendor is not set up in SAP, an invitation to register in PaymentWorks will need to be sent informing the vendor that they will need to register.
- A [FS-06](#) must be completed and approved prior to services being rendered and the creation of a requisition or e-NPO.
- A [FS-03](#) or invoice must be completed.
- The FS-03/Invoice and FS-06 shall be submitted via the e-NPO or purchase order process.

5.3.3 Procurement Card (P-Card) Program

Texas State University offers university departments a Procurement Card Program (P-CARD). The program is a fast, flexible method of processing low-dollar value purchases from vendors that accept the MasterCard credit card. Refer to the [Procurement Card Guidelines and Procedures Manual](#).

5.4 PURCHASE \$15,000 - \$50,000 OR GREATER (NOT AVAILABLE IN MARKETPLACE OR EXISTING CONTRACTS)

5.4.1 Informal Bids - Purchase Value of \$15,000 - \$50,000

Processing Guidelines:

Informal bidding is used to procure goods or services when the expected value is from \$15,000 up to \$50,000. The following guidelines apply to informal bids:

- The bidding opportunity is not required to be publicly posted.
- Departments shall solicit a minimum of three quotes from vendors on the Comptrollers Centralized Masters Business List (CMBL), with at least two being Texas Certified HUB suppliers from the [CMBL](#). ([How to Search CMBL HUBS](#))
- Suppliers may submit their quotes to departments via mail, email, or fax.
- Departments shall attach all quotes to the purchasing requisition.
- Department shall attach a bid tab to the purchasing requisition.
- The P&SS Office may solicit additional bids if it determines that there are preferred vendors capable of providing the goods or service.

Procedure:

1. The department solicits bids from suppliers for the required goods or service.
2. The department prepares a requisition and should attach the solicitation documentation, as well as all quotes received, and a bid tab.
3. The P&SS Office will review the requisition and attachments. If additional bids are required, the P&SS Office will notify the department.

4. The P&SS Office has the right to make final decision based on best value determination.

5.4.2 Invitation for Bid (IFB) - Purchase Value \$50,000.01 and Greater; Based Solely on Price and Delivery

Processing Guidelines:

When the expected value of the goods or services is equal to or greater than \$50,000.01, a formal solicitation process is required. The following guidelines apply to the Invitation for Bid (IFB) solicitation method:

- An IFB is used when the decision to award the contract is made solely on the basis of price and delivery.
- An IFB is normally used when the procured goods lend itself to a precise set of specifications, such as manufacturer part numbers, size, weight, number of classes, etc.
- IFB opportunities are sent to known suppliers and posted on the ESBD website so that any supplier may submit a response.
- Terms and conditions that govern the contract are contained within the IFB. Suppliers can note exceptions to certain terms and conditions; however, the university may disqualify a supplier for not accepting the posted terms.

Procedure:

1. The department submits an email to purchasing@txstate.edu that includes a Statement of Work, list of vendors and contacts, terms, estimated value, etc.
2. Anyone who will be answering questions pertaining to a solicitation or reviewing responses shall complete a Non-Disclosure Statement before the IFB is issued.
3. P&SS Office will draft an IFB document, which includes:
 - a) a full description of all required items
 - b) instructions for the Respondent on how to submit pricing and delivery
 - c) submittal instructions and the deadline by which to submit the bid
 - d) terms and conditions
4. The IFB is posted for a minimum of 14 days.
5. The P&SS Office tabulates the bids.
6. The P&SS Office may need to take steps to determine if pricing received from a Respondent is fair and reasonable [FAR 15.404-1](#). This can be done by comparing the proposed price to that of the same or similar item by reviewing:
 - historical prices paid;
 - published price lists;
 - or prices obtained through market research, including Web research.

The P&SS Office should also confirm with the Respondent that the pricing is the best pricing available and that no other discounts or incentives are available to the university.

7. The P&SS Office notifies the department of which Respondent(s) are selected and obtains the department's agreement. Multiple awards are possible in order to achieve the lowest cost and/or fastest delivery to Texas State University.
9. All Respondents are notified by the P&SS Office when an award is made.
10. The department creates a requisition and references the IFB solicitation number. In cases where a contract may be more appropriate than a purchase order, the P&SS Office will notify the department, and work with the department to develop a contract.

NOTE: Contracts from \$50,000.01 to \$500,000 can be signed by the university.

Contracts from \$500,000.01 to \$1M will require the Chancellor's approval

Contracts greater than \$1M will require the Board of Regents approval.

5.4.3 Request for Proposal (RFP) - Purchase Value \$50,000.01 and Greater; Based on Qualifications in Addition to Price and Delivery

Processing Guidelines:

When the expected value of the goods or services is equal to or greater than \$50,000.01, a formal solicitation process is required. The following guidelines apply to the RFP solicitation method:

- RFP is the solicitation method used when qualifications other than price and delivery are considered in deciding which Respondent should be awarded the contract.
- **Best Value** (as defined in [Texas Government Code 2155.074](#) and [Texas Education Code 51.9335 b](#)). When best value criteria are used to score proposals, the criteria and the weighting are clearly identified in the RFP. The P&SS Office will assist the department in establishing an evaluation criterion and the weighting for each criterion. Best value criteria can be utilized and may include but are not limited to:
 - installation costs
 - life cycle costs
 - quality and reliability of the goods and services
 - delivery terms
 - indicators of probable supplier performance under the contract, such as past supplier performance, the supplier's financial resources and ability to perform, the supplier's experience and demonstrated capability and responsibility, and the supplier's ability to provide reliable maintenance agreements and support
 - cost of any employee training associated with a purchase

- effect of a purchase on agency productivity
- other factors relevant to determining the best value for the university in the context of a particular purchase
- RFP opportunities are sent to known suppliers who provide the goods or services and posted on the ESBD website so that any supplier may submit a response.
- Terms and conditions that govern the contract are contained within the RFP. Respondents can note exceptions to certain terms and conditions. However, the university may disqualify a Respondent for not accepting the posted terms.

Procedures:

1. The department submits an email to the P&SS Office with a brief description of their needs and a Scope of Work. P&SS will assist the department in developing the scope of work if required.
2. Establishment of evaluation team
 - a) The department identifies end users and business experts to serve as an evaluation team member. An evaluation team shall consist of three or more members.
 - b) The P&SS Office will collect Non-Disclosure Statements for all evaluation team members.
3. The P&SS Office prepares an RFP document, which includes:
 - a) background information regarding the purpose of the solicitation
 - b) a detailed scope of work
 - c) a list of questions for Respondents to complete
 - d) an Execution of Offer
 - e) if a HUB Subcontracting Plan (HSP) is required, instructions as to how to complete and submit the HSP are included. For more information, see the Purchasing Procedures Handbook, [5.6. HUB Subcontracting Requirements \(HSP\)](#).
 - f) a schedule, which includes:
 1. date of pre-proposal conference, if applicable
 2. date for submission of written questions from the Respondents to the university
 3. proposal submission deadline
 - g) name, phone number, and email address of the university contact
 - h) terms and conditions
4. The RFP is posted for a minimum of 21 days. The need for a pre-proposal conference or HSP may increase the length of time the RFP is posted.
5. If an HSP is required, it will be reviewed by the HUB Specialist. If a required HSP is not submitted or the HSP is deemed to be unacceptable, the proposal will be disqualified.
6. P&SS removes all pricing components from the proposals prior to distributing proposals to the evaluation team.
7. Each member of the evaluation team reviews qualified proposals and scores them based upon the RFP criteria, and submits their scores.

8. P&SS completes scoring of the price/cost and compiles the total score.
9. P&SS reviews the proposal scores with the evaluation team, and the group makes a recommendation for the award based on its best value determination.
10. P&SS reviews the evaluation team's recommendation with the director of Procurement and Strategic Sourcing, who will approve or decline the recommendation.
11. An award letter is sent to the successful Respondent and is contingent on the successful negotiation of a contract. Regret letters are sent to the unsuccessful Respondents.
12. P&SS issues a purchase order to the supplier. In cases where a business contract may be more appropriate than a purchase order, the P&SS Office will notify a Contract Specialist, which will work with the department to develop a contract.

NOTE: Contracts from \$50,000.01 to \$500,000 can be signed by the university.
Contracts from \$500,000.01 to \$1M will require the Chancellor's approval.
Contracts greater than \$1M will require the Board of Regents approval.

5.4.4 Request for Qualifications (RFQ) – Based Solely on Qualifications

Professional Services (as defined in Texas [Government Code 2254.002](#)) Professional service providers shall be selected based upon a Request for Qualifications (RFQ). The contract award is based on negotiation with the most qualified provider. When a professional service is required, and no pre-qualification has been established, a contract award shall be justified as an exclusive acquisition to establish that the selection meets best-value criteria.

- a. Professional service providers are normally licensed or certified and the scope of their services include:
 - accounting
 - architecture
 - landscape architecture
 - land surveying
 - medicine
 - optometry
 - professional engineering
 - real estate appraising
 - professional nursing
 - attorney legal services
- b. A provider of professional services may not be selected on the basis of competitive bids, but rather on the basis of demonstrated competence and qualifications to perform the service and for a fair and reasonable price.

A Request for Qualifications is also used to identify a group of vendors who meet a set of minimum qualifications in order to submit proposals for a planned solicitation. Only qualified vendors are permitted to submit proposals for the solicitation.

Requests for Qualifications add time to the overall solicitation process, but can be valuable in situations where:

- many suppliers provide the goods or service, but the overall quality, reputation, and capabilities are widely variable.
- aspects of the solicitation are confidential and there is a need to restrict access to information that would otherwise be publicly posted.
- it is unclear whether one supplier has a unique or proprietary offering that could be justified as an exclusive acquisition procurement.

Procedures:

1. The decision to use the Request for Qualifications process is generally made through discussions between the requesting department and the P&SS Office. **Note:** Since this process may not conclude with a contract award, suppliers are not asked to provide pricing or delivery information.
2. The P&SS Office and the department develop a general scope of work (SOW) along with a set of questions that will be asked of the suppliers to determine their qualifications for the project.
3. The department identifies a team of end users/subject matter experts who will review and score solicitation responses. There should be a minimum of three evaluation team members. The team develops a scoring methodology that will be used in the scoring process. Team members each sign a Non-Disclosure. The P&SS Office will provide the form.
4. The Request for Qualifications is posted for a minimum of two weeks.
5. The evaluation team scores the responses and identifies those Respondents who meet the minimum qualification requirements. Only qualified suppliers are asked to participate in any subsequent solicitation.
6. When the Request for Qualifications is concluded, the university may or may not issue a solicitation.

NOTE: Contracts from \$50,000.01 to \$500,000 can be signed by the university.

Contracts from \$500,000.01 to \$1M will require the Chancellor's approval

Contracts greater than \$1M will require the Board of Regents approval.

5.4.5 Proprietary Procurement:

Introduction

Proprietary procurement shall follow the [TSUS Contract Management Handbook](#). A [Proprietary Justification Form](#) shall accompany any purchase requisition or contract.

Proprietary (as defined in [Texas Education Code 51.9335 b](#))

Justification for a proprietary purchase is used when the goods or services are only available through a single source. The P&SS Office establishes that the selection meets best value criteria. Some examples include:

- a. Equipment maintenance or repair parts from the original equipment manufacturer (OEM).
- b. Pharmaceuticals or chemical reagents that are only available through one supplier.
- c. Software or software maintenance that is only available through one software supplier.

Processing Guidelines:

Departments shall use the most current version of the [Proprietary Justification Form](#) available on P&SS web site. Completed forms shall be attached to the requisition.

5.4.6 Emergency Purchases:

Introduction: Justification for an emergency purchase occurs as the result of an unforeseen circumstance that requires an immediate response to prevent financial or operational damage to the university. If a situation arises in which routine compliance with procurement practice is impractical and not in the university's best interest, an emergency purchase may be warranted to prevent a hazard to life, health, safety, welfare, or property, or to avoid undue additional cost to the university. Emergency purchases of goods or services are performed to restore a system to its original intended functionality and shall not exceed the scope or duration of the emergency. The P&SS Office will review and approve the [Emergency Purchase Justification](#)

Processing Guideline:

Departments shall use the most current version of the [Emergency Purchase Justification](#) available on the web site. Contact the P&SS office alerting them that an emergency has occurred, and that the Emergency Justification form is coming. Completed forms shall be emailed to the [P&SS](#) Office and a phone call alerting the P&SS Office.

5.5 REQUEST FOR INFORMATION (RFI) - USED TO GATHER INFORMATION AND SPECIFICATIONS

Guidelines:

A Request for Information (RFI) is used to collect additional information about features and specifications of a good or service. This process is used when the department and the P&SS Office do not have sufficient information to develop an appropriately detailed scope of work (SOW) to be used in a subsequent solicitation. The solicitation is open to all vendors and is publicly posted on the ESD website so that anyone may submit a response. A vendor is not required to respond to the RFI in order to submit a proposal. An RFI adds time to the overall solicitation process, but can be valuable in situations where:

- additional information about a good or service is necessary before a SOW can be developed for the project.
- vendors for the good or service need to be identified.

Procedures:

1. The decision to use the RFI process is generally made through discussions between the department and the P&SS Office.

Note: Since the RFI process does not conclude with a contract award, the department does not have to submit a requisition document, and suppliers are not asked to provide pricing or delivery information.

2. The Procurement and Strategic Sourcing Office and the department develop a general description of the good or service that is required. Suppliers are asked to submit full descriptions and specifications of the good or service they provide.
3. The department identifies a team of end users/subject matter experts to review supplier submissions. Because RFIs are not scored, evaluation team members do not have to sign a Non-Disclosure/Conflict of Interest statement.
4. The RFI is posted for a minimum of 14 days.
5. The department and the P&SS Office review the submissions and use the information to develop a SOW for the subsequent solicitation.
6. When the RFI is concluded, the university may or may not issue a solicitation.

5.6 HUB SUBCONTRACTING REQUIREMENTS (HSP)

Texas State University's Historically Underutilized Businesses (HUB) Advocacy Program is committed to encouraging the full and equal access and participation of historically underutilized, small, disadvantaged, woman-owned, and veteran-owned businesses in contracting and purchasing processes at the university in accordance with [Texas](#)

[Administrative Code, Title 34, Part 1, Chapter 20, Subchapter D, Rule §20.284 Statewide Annual HUB Utilization Goals](#). With a focus on supporting the educational and research missions of the university, the HUB Program provides education and outreach to businesses and university communities.

The HUB Advocacy Program operates within the Procurement and Strategic Sourcing department, under the direction of the Director of Procurement and Strategic Sourcing, and the HUB Specialist

The HUB Office is located in the JC Kellum Building, room 527 and is open from 8 a.m.- 5 p.m., Monday-Friday, excluding university holidays.

Overview of Historically Underutilized Businesses Advocacy Program Functions

The HUB Program performs the following primary tasks:

- **Policy Compliance** – Provides oversight and assistance with development of the university’s policy to place a fair proportion of its acquisitions with all categories of historically underutilized businesses.
- **Acquisition Advocacy** – Works closely with program, technical, and contracting personnel at the university to ensure acquisition strategies are fair and open regarding historically underutilized businesses concerns.
- **Intra/Inter Agency Liaison** – Works within the university community to promote HUB programs and initiatives and to keep university personnel informed concerning policies and procedures; works with other agencies and the business community to foster business relationships and enhance the reputation of the university.
- **Outreach and Counseling** – Educates the university community on program goals and policy implementation; educates the business community on the university’s solicitation process.

In accordance with [Texas Government Code, Title 10, Subtitle D, Chapter 2161, Subchapter A, Section §2161.252 Agency Determination Regarding Subcontracting Opportunities](#) and [Texas Administrative Code, Title 34, Part 1, Chapter 20, Subchapter B, Rule §20.285 Subcontracts](#), before the University solicits bids, proposals, offers, or other applicable expressions of interest for a contract with an expected value of \$90,000 or more, the university shall determine whether subcontracting opportunities are probable under the contract. A [HUB Determination Form](#) is submitted to Procurement and Strategic Sourcing for review and approval. A subcontractor is defined as: “A person who or business that contracts to provide some service or material necessary for the performance of another's contract.”

If subcontracting opportunities are probable, the university’s invitation for bids or other purchase solicitation documents for construction, professional services, other services, and goods with an expected value of \$90,000 or more shall state that probability and require a HUB Subcontracting Plan (HSP). Any bid, proposal, offer, or other applicable expression

of interest for the contract that does not include a required HSP is considered nonresponsive.

Contractors that are awarded a contract containing a HSP shall make a good-faith effort to implement the plan as outlined in the bid, proposal, offer, or other applicable expression of interest for the contract. A good-faith effort to implement the HSP includes reporting to the university any subcontracting. Subcontracting should be reported using the [HUB Subcontracting Plan \(HSP\) – Prime Contractor Progress Assessment Report](#).

If a contractor is unable to meet the terms outlined in the HSP, the contractor shall report to the university all the circumstances that explain and describe the good-faith efforts made. The university audits each contractor's compliance with the HSP to consider factors indicating good faith. If the HUB Specialist determines that the contractor failed to implement the HSP plan in good faith, the university may bar the contractor from further contracting opportunities with the university.

The HUB subcontracting plan requirement is included in formal solicitation documents. For procurements made through existing contracts, proprietary, or as an emergency, a HUB subcontracting plan is not required.

For more information about HSP requirements, contact the Procurement & Strategic Sourcing Office

Resources

- [Centralized Master Bidders List & Historically Underutilized Businesses \(HUB\) Search](#) (Master database of vendors registered with the State of Texas)
- The University's [Historically Underutilized Businesses Advocacy Program Office](#)
- [Centralized Master Bidders List](#) - Register as a State of Texas Vendor
- Texas Comptroller of Public Accounts [Historically Underutilized Businesses \(HUB\) Program](#)

6 FEDERAL PURCHASING GUIDELINES - GENERAL INFORMATION

A. Introduction

All federally funded purchases made by Texas State University are made in accordance with applicable federal rules and regulations. In addition to departmental approval, these purchases generally require approval from the Office of Sponsored Programs.

B. Additional Terms and Conditions for Orders Purchased with Federal Contract or Grant Funds

Appropriate terms and conditions are dependent upon the dollar amount of the purchase and whether the purchase order is issued as a subcontract under a U.S. Government Prime Contract or uses federal grant funds.

• Purchase Orders Issued as Subcontracts Under a U.S. Government Prime Contract

If a purchase order is issued as a subcontract under a U.S. Government Prime Contract, additional provisions shall be incorporated into the terms and conditions of the order. The dollar amount of the purchase determines which terms apply.

• Purchase Orders Using Federal Grant Funds

If a purchase order uses federal grant funds as full or partial payment, additional provisions shall be incorporated into the terms and conditions of the order. The dollar amount of the purchase determines which terms apply.

6.1 DEBARMENT AND SUSPENSION

Under Presidential [Executive Order 12549](#) and [Executive Order 12689](#), Texas State University may not contract with parties listed on the General Services Administration's [System for Award Management \(SAM\)](#). SAM identifies (via active exclusions) entities that have been debarred, suspended, or excluded from receiving federal contracts, subcontracts, or federal assistance and benefits.

In compliance with the Code of Federal Regulations (CFR) Section 180.300, the university includes suspension/debarment provisions in its purchase orders. By accepting the university's purchase order, the supplier is certifying that, to the best of its knowledge, the supplier and/or any of its principals are not suspended or debarred.

6.2 COST/PRICE ANALYSIS - FEDERAL GRANTS AND U.S. GOVERNMENT PRIME CONTRACTS

When federal funds are used to purchase goods and services, a determination of cost/pricing analysis data requirements shall be made depending on the dollar amount of the purchase.

Purchases \$50,000 and Below

For orders less than \$50,000.01, colleges, schools and departments are responsible for determining that prices paid for goods and services are reasonable. For complete federal guidelines, see [Federal Acquisition Regulation \(FAR\)](#).

Purchases \$15,000 or Greater

For purchases \$15,000 or greater, cost analysis is required if the purchases have not been competitively awarded. A Proprietary Justification form shall be submitted if a specific vendor is identified in a grant and attached to the requisition. If a vendor is not identified, then, the procurement of any good or service will follow the standard University Policies and Procedures for procurement.

7 PURCHASES REQUIRING SPECIAL HANDLING - GENERAL INFORMATION

This section provides guidelines for processing the purchase of goods and services for Texas State University in circumstances that occur infrequently as referenced in [UPPS 05.02.02](#). Several of these situations require additional levels of approval or documentation that differ from normal purchasing approval processes.

7.1 PURCHASE OF USED EQUIPMENT

Most purchases made by the university are for new equipment. However, there may be instances when the procurement of previously used equipment may be necessary or advantageous, such as when there is a lack of availability of new equipment or when there are budgetary constraints. Despite the potential advantages, there are risks involved with procurement of used equipment.

Equipment that is used includes:

- refurbished equipment
- used equipment supplied with the same warranty as new equipment
- equipment used for a demonstration, even if the demonstration was performed for the university

A department that is considering a used equipment purchase should consult with the Procurement & Strategic Sourcing Office.

Used equipment purchases follow the same dollar limits that apply to new equipment purchases. The following requirements also apply to used equipment purchases:

- The supplier providing the equipment shall provide a letter or signed statement guaranteeing the quality and condition of the equipment.
- The department shall provide at a minimum the following information on the requisition:
 - Justification of the requirement for used equipment versus new equipment
 - Assurance of supply
 - Service Provided / Warranty
 - Quality of Equipment
 - Cost
 - Innovation
 - Statement that a departmental representative has personally examined the equipment or otherwise verified that the equipment is in the condition described by the supplier. The statement shall also document that the cost of the used equipment warrants the risk involved.

If extenuating circumstances exist that prevent competitive bidding and the order exceeds \$15,000, a [Proprietary](#) Justification or [Emergency Purchase](#) Justification form shall be provided.

7.2 PROCEDURE FOR PROCURING GOODS AND SERVICES FROM CURRENT OR FORMER UNIVERSITY EMPLOYEES

In accordance with Gov. Code 2252.901, A state agency may not enter into an employment contract, a professional services contract under Chapter 2254, or a consulting services contract under Chapter 2254 with a former or retired employee of the agency before the first anniversary of the last date on which the individual was employed by the agency, if appropriated money will be used to make payments under the contract. This section does not prohibit an agency from entering into a professional services contract with a corporation, firm, or other business entity that employs a former or retired employee of the agency within one year of the employee's leaving the agency, provided that the former or retired employee does not perform services on projects for the corporation, firm, or other business entity that the employee worked on while employed by the agency. Current and former employees shall adhere to all Texas State rules and regulations. A purchase from a current or former employee by a university department shall receive approval from the Procurement & Strategic Sourcing Office. The department shall submit a [FS-06 \(Independent Contractor Determination Form\)](#) to the Procurement and Strategic Sourcing Office for review and receive approval before a purchase agreement is made with the employee, regardless of the dollar amount.

- 1 Any payment to a university employee performing contracted services will be processed via a Personnel Change Request (PCR). or if the payment will be paid as contracted services via Accounts Payable. When services are within the scope of the employee's job duties, payment will be made via PCR. When services are beyond the scope of the employee's job duties, payment may be made via form [FS-03](#) through the [e-NPO](#) process. Account managers and supervisors should consult Human Resources or Procurement and Strategic Sourcing for assistance with that determination.
- 2 Payments made via PCR should follow all relevant guidelines including UPPS No. 04.04.12, Compensation in Excess of Base Annual Salary for Staff, and UPPS No. 04.04.08, Determining Contract Labor and Independent Contractor Status. Total payment will include matching fringe benefits.
- 3 When an individual who has been employed full time with the university within the last 12 months is to perform a contracted service, the account manager should consult with Human Resources or Procurement and Strategic Sourcing for assistance prior to services beginning.

7.3 PURCHASE OF AWARDS, FLOWERS, FOOD, OR REFRESHMENTS – refer to [UPPS No. 03.01.03](#), Purchase of Awards, Flowers, Food, or Refreshments.

7.4 PURCHASE OF ALCOHOL – refer to [UPPS No. 03.01.18](#), and/or [UPPS No. 05.03.03](#).

- 7.5 PURCHASE OF MOTOR VEHICLES** – refer to [UPPS No. 05.05.03](#), Fleet Management Plan.
- 7.6 PURCHASE OF UNMANNED AIRCRAFT SYSTEMS (DRONES)** – refer to [UPPS No. 04.05.14](#), Unmanned Aircraft Systems (Unmanned Aircraft and Model Aircraft) Operation Policy.
- 7.7 LEASING LAND, SPACE, AND OTHER FACILITIES** – refer to [UPPS No. 08.01.16](#), Facilities Leases.
- 7.8 LEASE OR PURCHASE OF EQUIPMENT AND OTHER GOODS** – contact the Procurement and Strategic Sourcing office.
- 7.9 MEMBERSHIPS** – refer to [UPPS No. 06.04.01](#), Membership in Professional Organizations.
- 7.10 SUBSCRIPTIONS** – Subscriptions may be processed by using a P-card, e-NPO, or by forwarding a purchase requisition through the Procurement and Strategic Sourcing office. When a subscription is required, it is suggested that a lead time of approximately six weeks be given; however, when state-appropriated funds are used, subscriptions may not be paid more than six weeks in advance of the renewal date. The "ship to address" should be in the following format to minimize delays in receiving the subscription:
- Texas State University
 Name of Department/Office
 601 University Dr., Bldg. Name-Room #
 San Marcos, TX 78666
- 7.11 MOVING AND RELOCATION EXPENSES** – refer to [FSS/PSS 03.19](#), Moving Allowance.
- 7.12 PURCHASE OF REAL ESTATE** – refer to [UPPS No. 08.04.01](#), Real Property Acquisitions.
- 7.13 CATERING** – refer to [UPPS No. 05.03.02](#), Catered Events.
- 7.14 PURCHASE OF WIRELESS (CELL) EQUIPMENT AND SERVICES** – refer to [UPPS No. 05.03.11](#), Wireless Cellular Communication Services.
- IT Assistance Center (ITAC) is the point of contact for all telephone systems. Follow instructions on their web site <https://doit.txstate.edu/services/#All/All%20Categories/>
- 7.15 CONTRACTING FOR TEMPORARY STAFF OR OUTSOURCING** – refer to [UPPS No. 04.04.22](#), Hiring Temporary Workers through Temporary Personnel Service Providers.
- 7.16 PURCHASE OF SECURITY SYSTEMS** – refer to [UPPS No. 05.04.04](#), Texas State Security Alarm Systems.
- 7.17 LEASE OF PHOTOCOPIERS** – refer to [UPPS No. 05.03.20](#), Office Photocopy Equipment Services.

- 7.18 LIVE ANIMAL PURCHASE** – refer to [UPPS No. 02.02.05](#), Animal Care and Use Policy.
- 7.19 PURCHASE OF RADIOACTIVE MATERIALS** – refer to the Environmental Health, Safety & Risk Management [web site](#).
- 7.20 PURCHASE OF HAZARDOUS MATERIALS** – refer to [UPPS 04.05.06](#), Hazardous Materials and Hazardous Waste Management.
- 7.21 PURCHASE OF NEW CONSTRUCTION OR REMODELING SERVICES** – refer to [UPPS 01.03.02](#), University Construction Policy.
- Facilities and Planning, Design, and Construction are responsible for any Remodeling or Construction Services. Contact their offices for these services. Linked below are their web sites:
- Facilities: <https://www.facilities.txstate.edu/>
- Planning, Design, Construction: <https://www.facilities.txstate.edu/pdc.html>
- 7.22 PURCHASE OF UNIVERSITY VEHICLES AND SIGNS** – refer to [FSS/PPS 01.04](#), Standard University Colors for Vehicles, Signs and Other Materials.
- Facilities is the point of contact for most vehicle purchases. Follow instructions on their site as linked here:
https://www.facilities.txstate.edu/management/management_vehicles.html
- 7.23 PURCHASE OF ELECTRONIC AND INFORMATION RESOURCES** – [TSUS Rules and Regulations, Chapter III, Paragraph 19.3](#) requires central review and oversight of all university acquisitions of information technology by the vice president for Information Technology, or designee, “including, but not limited to, computing hardware or software, and hosting services, regardless of source of funds.” Administrative heads shall consult with the vice president for Information Technology, or designee, regarding purchases of technology goods or services that are not yet centrally supported by the Information Technology division.
- Also, to optimize their accessibility, usability, security, and privacy, all electronic and information resources developed or procured for use with the TXSTATE.EDU network domain shall comply with the applicable provisions of Texas Administrative Code, Title 1, Part 10, Chapter 213, Subchapter C, Rules §213.37 and §213.38, dealing with the procurement of Electronic and Information Resources in Institutions of Higher Education, commonly known as TAC 213.
- 7.24 PURCHASE OF SERVICES PERFORMED ON CAMPUS** – refer to [UPPS No. 04.04.17](#), Staff Background Checks.
- 7.25 HIGHER EDUCATION FUNDS PURCHASES** – refer to [UPPS No. 03.02.05](#), Higher Education Funds (HEF).
- 7.26 EMBARGOES AND EXPORT LAWS AND REGULATIONS** – Prior to shipping anything outside of the United States, the end user should contact the Office of Research

Integrity and Compliance to ensure necessary steps required to comply with the law (see [UPPS No. 02.02.10](#), Export Control Laws and Regulations).

FOREIGN PURCHASES AND CUSTOMS REQUIREMENTS

Foreign Purchases:

Prior to issuing a purchase order (PO), a department shall determine what currency to use to make the purchase and how the exchange rate will be determined if payment is not made in U.S. dollars. Usually, the conversion rate used is the current rate on the date of shipment.

Note: [OANDA](#) is a commonly used online currency converter that can assist departments with exchange rates.

The [Office of Foreign Assets Control](#) (OFAC) maintains the [Specially Designated Nationals and Blocked Persons](#) (SDN). The SDN lists names of both individuals and organizations that the United States is prohibited from doing business with. Departments shall verify that companies they wish to engage are not on the SDN.

Custom's Requirements:

Purchasing goods that are manufactured outside of the United States requires clearance by the U.S. Customs and Border Protection agency upon entry into the country. Information regarding customs requirements can be found at the [U.S. Customs and Border Protection](#) website.

Texas State University retains the services of a U.S. customs broker to assist with purchases from foreign countries. While departments are not required to engage a specific customs agent, the P&SS Office can provide the contact information for the university's current customs broker.

Goods imported from foreign countries may be subject to a variety of fees, duties, or taxes. The department making the purchase is responsible for all additional charges associated with the purchase. **To avoid fines, penalties, and incorrectly paying duties, the P&SS Office strongly recommends that departments work with a customs broker.**

7.27 GUNS/WEAPONS/EXPLOSIVES – Contact the Procurement & Strategic Sourcing Office

7.28 MEDICAL SUPPLIES – Contact the Procurement & Strategic Sourcing Office

7.29 INTERDEPARTMENTAL PURCHASES

Many departments at Texas State University offer services to the university community. When service is obtained from another department at the university, bidding is not required, no purchase order is issued, and charges may be paid using an Interdepartmental

Transfer (IDT) document. These are some of the university departments that offer services to the university community:

- Print & Mail Services – copy, mail, and printing services
- Facilities Services – remodeling, supplies via central stores, repair services, etc.
- ITAC – disk storage space, long distance service, SharePoint, etc.

8 TECHNOLOGY PROCUREMENTS

Technology Resources is responsible for technology purchases at Texas State. Any guidance and support can be found on their website linked here: <https://www.tr.txstate.edu/>

8.1 SOFTWARE CONTRACTS

All Software Contracts shall go through Technology Resources. Follow instructions on their web site at: <https://itac.txstate.edu/forms.html>

8.2 PURCHASE OF TELEPHONE SYSTEMS

IT Assistance Center (ITAC) is the point of contact for all telephone systems. Follow instructions on their web site at: <https://itac.txstate.edu/forms.html>

9 MATERIALS MANAGEMENT -ASSET, FREIGHT, AND TRANSFER OF OWNERSHIP - GENERAL INFORMATION

This section provides guidelines established by Texas State University for freight terms, and transfer of ownership from the vendor to the university (Free on Board – FOB).

9.1 PROPERTY AND EQUIPMENT (ASSETS INCLUDED)

[Property Management Office](#) will help with maintaining appropriate property control. Assets and Controlled items will need to be identified with an asset number by Materials Management. For information on whether an asset is required, refer to [UPPS 05.01.01](#) and/or contact the Material Management Office.

9.2 FREIGHT

Freight charges, the cost of shipping goods to the university, are typically either included in the cost of the goods or are considered “Prepaid & Add,” which means the vendor pays the shipping carrier in advance and adds the shipping cost to the invoice issued to the university. In either case, the quote or invoice sent by the vendor to the department receiving the goods should lists the freight charge separately.

The university does not accept Cash on Delivery (COD) shipments. Freight collect, for which the university pays the carrier directly for freight charges, should be avoided.

9.3 TRANSFER OF OWNERSHIP - FREE ON BOARD (FOB)

When the university makes a purchase of a good that requires physical delivery, the Free on Board (FOB) terms specify:

- When the title for shipped merchandise passes from the seller to the university.
- Who is responsible for the goods while they are in transit?
- Who is responsible for filing any freight claims if there is a problem with the shipment?

There are two FOB terms:

FOB Destination

- a. FOB destination freight prepaid and allowed:
 1. The university does not take ownership of the goods until delivery and acceptance of the shipment by the university has occurred.
 2. Vendor pays the freight charges
 3. Vendor owns the goods in transit
 4. Vendor files any freight claim

- b. FOB destination freight prepaid and added:
 - 1. The university does not take ownership of the goods until delivery and acceptance of the shipment by the university has occurred
 - 2. University pays the freight charges
 - 3. Vendor owns the goods in transit
 - 4. Vendor files any freight claim

All shipments should be sent via FOB Destination unless approved by the Account Manager and P&SS office.

FOB Origin (Shipping Point)

- a. FOB Origin freight prepaid and allowed:
 - 1. The University takes ownership of the goods once the shipment from the carrier has occurred
 - 2. Vendor pays the freight charges
 - 3. University owns the goods in transit
 - 4. University files any freight claim
- b. FOB destination freight prepaid and added:
 - 1. The University takes ownership of the goods upon delivery to the final destination
 - 2. University pays the freight charges
 - 3. Vendor owns the goods in transit
 - 4. Vendor files any freight claim

If a vendor insists on using FOB Origin, the department shall do the following:

- 1. University files any freight claim
- 2. Request that the full value of the goods be declared on shipments with a value greater than \$1,000.
- 3. Contact Materials Management and discuss the shipping.
- 4. Contact Environmental Health Risk and Safety Management for insurance requirements.
- 5. Make sure the Account Manager approves the final decision on how the shipping will be handled.

10 PAYMENT FOR GOODS AND SERVICES

This section provides guidelines established by Texas State University for payments from the university to vendors.

A. Approved Payment Terms (Texas Prompt Pay Act)

Texas State University makes payments to vendors based on the Texas Prompt Payment Act, which states that payment is overdue on the 31st day after the latest date below:

- the date the university receives the goods under the contract.
- the date the performance of the service under the contract is completed.
- the date the university receives an invoice for the goods or service.

To read the law in its entirety, see the Texas Government Code, Title 10, General Government, [Section 2251.021. Time for Payment by Governmental Entity.](#)

The university refers to the payment terms of the Texas Prompt Payment Act as Net 30: Payment of the net (full) amount will be made within 30 days of receipt of the invoice or receipt of material or service, whichever is later.

B. Payment Term Exceptions

Occasionally, a vendor will offer an early payment discount to the university and the terms offered will be noted on the invoice. Accounts Payable will attempt to take advantage of the early payment discount terms when processing the invoice. Otherwise, the invoice will be paid according to the university's standard Net 30 terms. One example of an alternate discount term is 2%10 Net 30, which means that a 2 percent cash discount is given to the university if the invoice is paid within 10 days after receipt; otherwise, the net amount is due in 30 days.

C. Prepayment

Prepayment for goods and services is made before the actual receipt of goods or the completion of services. Pre-payment requires approval from the Director of Procurement of Strategic Sourcing prior to the approval of the procurement if the prepayment exceeds \$1,000. Any risk on pre-payment becomes the liability of the Account Manager.

11 PURCHASE ORDER CREATION, CHANGE ORDERS, CANCELLATIONS AND CLOSEOUT

During the purchase order process, it may be necessary to modify or cancel the purchase order. Modifications include:

- Minor changes, such as a change of address or change of funding source
- Substantial changes that affect the price and delivery of the items

Requesting departments may not verbally authorize a vendor to begin working on a modification before the necessary change order is final. If the P&SS Office requires any supporting documentation, it becomes part of the referenced purchase order file.

Note: Any fees a vendor assesses for a change or cancellation (e.g., return shipping, restocking fees, etc.) are the responsibility of the requesting department.

11.1 TSUS MARKETPLACE PURCHASE ORDERS

11.1.1 Creating Purchase Orders in the Marketplace

Follow the instructions in the [TSUS Marketplace User Guide](#) for creating any type of Purchase Order in the marketplace. These Purchase Orders are automatically sent to the vendor.

Punchout Orders: Punchout orders are orders placed in the marketplace with vendors who have an external portal to their website. Examples of these are Staples, McCoy's, Grainger, Apple, etc.

Non-Catalog Orders: Any order placed by selecting non-catalog item. The end user will input all the required information.

- Standard – This is for a good or service that is a one-time occurrence.
- Limit Framework – This is for a good or service that will have multiple invoices

Follow the "[How to Create a Limit Framework in Marketplace](#)" Guide for this type of requisition.

11.1.2 Change Orders in the Marketplace

All modifications to a purchase order are subject to approval by the Procurement & Strategic Sourcing Office prior to the change taking place.

Note: Automatic substitutions of goods are not allowed. If the supplier offers a department an alternate item because the original item is no longer available, the

requesting department shall remove the original item from the original purchase order and create a new purchase order for the new item.

When to Process a Change Order:

Punchout Orders:

Orders made through punchouts on the marketplace cannot be modified. A request for the cancellation of specific lines or the whole purchase order shall be sent to purchasing@txstate.edu. Carts cannot be copied from punchout orders. A new punchout order shall be completed for the newly required goods/services.

Non-Catalog Orders (includes Limit Frameworks):

The following is a list of scenarios where changing a purchase order is **not** necessary:

- Cancellation of the entire purchase order. For more information, see the Purchasing Procedures Handbook, [11.1.3 Cancelling a Purchase Order in the Marketplace](#).

The following is a list of scenarios where changing a purchase order is necessary:

- Internal changes to the account distribution.
- Cancellation of a line item (but not complete cancellation of the order).
- Decrease in quantity of a line item.
- Increase in quantity of a line item because of an over shipment by the supplier. An electronic goods receipt shall be created after the change order is completed.
- Increase in the purchase order amount due to an amendment executed against a correlating contract.

Requesting a Change Order for Non-Catalog Purchase Orders:

The requesting department shall initiate a change order and is responsible for ensuring all changes are completed. Follow the process below:

TSUS Marketplace Change Order(s) Steps:

1. Send an email to purchasing@txstate.edu and copy the account manager. The account manager will reply to all stating if the change is approved or not.
2. Reference the PO number in the subject of the email
3. Reference the action “Change Order” in the subject of the email
4. Type the exact changes that need to occur in the body of the email. This includes what prices are to be changed to for each line; and identifying if any lines are to be deleted or added.

5. Include the accounting information to be used for any lines that are being added.
6. Include a reason for the change
7. Include an email from the account manager approving the changes.

Note: When the changes affect the supplier, the requesting department shall inform the supplier of changes to the purchase order prior to creating a change order. After the completion of the change order, the department shall send an updated copy to the supplier.

11.1.3 Cancelling a Purchase Order in the Marketplace

Introduction: If a vendor does not meet the contractual obligations, the university may cancel a purchase order without the vendor's permission. If the requesting department believes that the vendor has failed to meet its contractual obligations, the requesting department shall contact the P&SS Office.

Cancellation of purchase orders shall be initiated by the requesting department.

Requesting Cancellation of a Marketplace Purchase Order:

Purchase order cancellations are not sent to the vendor. Therefore, the requesting department shall inform the vendor of their intent to cancel the purchase order prior to requesting that the purchase order be cancelled.

To cancel a TSUS Marketplace purchase order:

1. If the vendor is under contract, notify P&SS of vendor's failure to meet its contractual obligations by sending an email to purchasing@txstate.edu. Wait for a response to this email before proceeding. (Skip if not under contract)
2. Contact the vendor and notify them that you are cancelling the purchase order.
3. Send an email to purchasing@txstate.edu to cancel the PO.
 - a. This shall include the PO number and clearly state the reason for cancelling and an email confirmation from the vendor stating the PO has been cancelled.

11.1.4 Closing a Purchase Order in the Marketplace

Introduction: If a purchase order has been received and paid, then a request shall come from the department to close the PO. This includes purchase orders where part of the order (goods or services) was received and for whatever reason, it will not be completely filled.

Closing of purchase orders shall be initiated by the requesting department.

Requesting Closure of a Purchase Order

Purchase order closures do not need to be sent to the vendor.

To close a TSUS Marketplace purchase order:

1. If Applicable, notify P&SS of vendor's failure to meet its contractual obligations by sending an email to purchasing@txstate.edu. Wait for a response to this email before proceeding. (Skip if not applicable)
2. Send an email to purchasing@txstate.edu to close the PO.
 - a) This shall include the PO number and clearly state Close
 - b) If only specific lines need to be closed, then identify those lines
3. The Procurement & Strategic Sourcing Office will reply back to the email when the task is completed.

11.2 SAP PURCHASE ORDERS

11.2.1 Creating Purchase Orders in SAP

Follow the instructions in the [Req to Check](#) guide for creating any type of Purchase Order in SAP.

Local: Orders for goods and assets. This will also include the shipping line (which will be a service line and have the same GL as the good).

Framework: **Do Not Use.** If you believe you need to use the framework only format, please contact the Purchasing Office.

Limit Framework: Orders for services with multiple invoices or where the price may change.

11.2.2 Change Orders in SAP

All modifications to a purchase order are subject to approval by the Procurement & Strategic Sourcing Office prior to the change taking place.

The following is a list of scenarios where changing a purchase order is **not** necessary:

- Change in shipping and handling costs. **If the difference in cost is less than 10% Accounts Payable will pay the invoice. If the difference is greater than 10% Accounts Payable will contact the department to verify charges are okay to pay.
- Voluntary price reduction by the vendor.
- Cancellation of the entire purchase order. For more information, see the Purchasing Procedures Handbook, [11.2.3 Purchase Order Cancellations](#).

The following is a list of scenarios where changing a purchase order is necessary:

- Cancellation of a line item (but not complete cancellation of the order).
- Addition of a line item.
- Change in quantity of a line item.
- Changes in shipping charges when the charges were originally entered as “not to exceed” a given amount. (Limit Framework Line)
- Exercise options included in the original award.
- Exercise a renewal or extension option in accordance with the terms of the original purchase order prior to the expiration date.
- Corrections of typographical errors not affecting the substance of the purchase order.
- Change in the delivery schedule.
- Minor changes in the scope of work.
- Change of any terms and conditions.
- Internal changes to the account distribution and internal corrections to the general ledger code. Internal changes and corrections are not communicated to the vendor.

Creating a SAP Change Order

For purchase orders generated in SAP, the requesting department shall initiate a change order. Follow the [Req to Check](#) guide for how to change SAP requisitions.

How to Change a SAP Purchase Order:

Local:

1. No changes can be made directly on the PO. Any changes in price, account information, quantity, line additions will all follow the same process.
 - Department shall create a line on the requisition that was generated for the PO that needs to be changed.
 - Requisitioner will get with the Account Manager to have the new line approved.
 - After the line is approved, the department will send an email to purchasing@txstate.edu and specifically identify the changes required.
2. Once the Purchase Order has been updated, Procurement and Strategic sourcing will reply back to the email.

Limit Framework:

1. This will allow changes to the price throughout any payments. For any other changes, refer to the process on change orders for Frameworks above.
2. For an increase in the expected value and overall value, send an email to purchasing@txstate.edu and identify what you would like it to be increased to.

In the same email, include the reasoning for this increase and an email with the account manager's approval of the change.

3. Once the Purchase Order has been updated, Procurement and Strategic sourcing will reply back to the email.

Note: When the changes affect the supplier, the requesting department shall inform the supplier of changes to the purchase order prior to creating a change order. After the completion of the change order, the department shall send an updated copy to the supplier.

11.2.3 Cancelling a Purchase Order in SAP

Introduction: If a vendor does not meet the contractual obligations, the university may cancel a purchase order without the vendor's permission. If the requesting department believes that the vendor has failed to meet its contractual obligations, the requesting department shall contact the P&SS Office.

Cancellation of purchase orders shall be initiated by the requesting department.

Requesting Cancellation of a Purchase Order:

A purchase order may be cancelled if no line items on the purchase order have been received and/or rejected.

The requesting department shall notify the vendor of the proposed cancellation and verify that no payments have posted to the purchase order prior to completing the steps below.

1. If the purchase order is under contract, notify P&SS of vendor's failure to meet its contractual obligations by sending an email to purchasing@txstate.edu. Wait for a response to this email before proceeding. (Skip if not under contract)
2. Contact the vendor and notify them that you are cancelling the order.
3. Send an email to purchasing@txstate.edu to cancel the PO.
 - a) This shall include the PO number and clearly state the reason for cancelling.
4. The Procurement & Strategic Sourcing Office will reply back to the email when the task is completed.

11.2.4 Closing a Purchase Order in SAP

Introduction: If a purchase order has been received and paid, then a request shall come from the department to close the PO. This includes purchase orders where part of the order (goods or services) was received and for whatever reason, it will not be completely filled.

Closing of purchase orders shall be initiated by the requesting department.

Requesting Closure of a Purchase Order:

Purchase order closures do not need to be sent to the vendor.

To close an SAP purchase order:

1. If applicable, notify P&SS of vendor's failure to meet its contractual obligations by sending an email to purchasing@txstate.edu. Wait for a response to this email before proceeding. (Skip if not applicable)
2. Send an email to purchasing@txstate.edu to close the PO.
 - a) This shall include the PO number and clearly state Close
 - b) If only specific lines need to be closed, then identify those lines
3. The Procurement & Strategic Sourcing Office will reply back to the email when the task is completed.

11.3 STATE CONTRACT PURCHASE ORDERS

11.3.1 Creating Purchase Orders for State Contracts

Goods and services that are offered to all agencies can be found at www.txsmartbuy.com

1. Go to Texas Smartbuy Website as referenced above.
2. Create a cart with all the items that you would like
3. Save the list as a pdf.
4. Create a requisition in SAP ([Req to Check](#))
5. Attach the PDF to the requisition and submit it through workflow
6. Procurement & Strategic Sourcing will create this PO in TXSMARTBUY system and also turn the SAP requisition into a Purchase Order.
7. For any questions, email purchasing@txstate.edu

11.3.2 Change Orders for State Contracts

State contract purchase orders are generated from requisition documents. All modifications to a purchase order are subject to approval by the P&SS Office prior to the change taking place.

Note: If the supplier offers a department an alternate item because the original item is no longer available, the requesting department shall remove the original item from the original purchase order and create a new purchase order for the new item.

When to Process a Change Order:

A change order cannot be used to increase the scope of work beyond its original intention or extend the period of a service beyond the expiration date. Change

orders should not be used if the issuance of a new purchase order would achieve the requested action in an equally efficient and economical manner.

The following is a list of scenarios where changing a purchase order is **not** necessary:

- Change in shipping and handling costs. **If the difference in cost is less than 10% Accounts Payable will pay the invoice. If the difference is greater than 10% Accounts Payable will contact the department to verify charges are okay to pay.
- Voluntary price reduction by the vendor.
- Cancellation of the entire purchase order. For more information, see the Purchasing Procedures Handbook, [11.3.3 Cancelling Purchase Orders for State Contracts](#).

The following is a list of scenarios where changing a purchase order is necessary:

- Cancellation of a line item (but not complete cancellation of the order).
- Addition of a line item.
- Change in quantity of a line item.
- Changes in shipping charges when the charges were originally entered as “not to exceed” a given amount. (Limit Framework Line)
- Exercise options included in the original award.
- Exercise a renewal or extension option in accordance with the terms of the original purchase order prior to the expiration date.
- Corrections of typographical errors not affecting the substance of the purchase order.
- Change in the delivery schedule.
- Minor changes in the scope of work.
- Change of any terms and conditions.
- Internal changes to the account distribution and internal corrections to the general ledger code. Internal changes and corrections are not communicated to the vendor.

Creating a Change Order:

Follow the process outlined in How to Change SAP Purchase Orders [11.2.2](#).

11.3.3 Cancelling Purchase Orders for State Contracts

Introduction: If a vendor does not meet the contractual obligations, the university may cancel a purchase order without the vendor’s permission. If the requesting department believes that the vendor has failed to meet its contractual obligations, the requesting department shall contact the P&SS Office.

Cancellation of purchase orders shall be initiated by the requesting department.

Requesting Cancellation of a Purchase Order:

A purchase order may be cancelled if no line items on the purchase order have been received and accepted.

The requesting department shall notify the vendor of the proposed cancellation and verify that no payments have posted to the purchase order prior to completing the steps below.

1. Notify P&SS of vendor's failure to meet its contractual obligations by sending an email to purchasing@txstate.edu. Wait for a response to this email before proceeding.
2. Contact the vendor and notify them that you are cancelling the order.
3. Send an email to purchasing@txstate.edu to cancel the PO.
 - a) This shall include the PO number and clearly state the reason for cancelling.
4. The Procurement & Strategic Sourcing Office will reply back to the email when the task is completed.

11.3.4 Closing Purchase Orders for State Contract

Introduction: If a purchase order has been received and paid, then a request shall come from the department to close this PO. This includes purchase orders where part of the order (goods or services) was received and for whatever reason, it will not be completely filled.

Closing of purchase orders shall be initiated by the requesting department.

Requesting Closure of a State Contract Purchase Order:

Purchase order closures do not need to be sent to the vendor.

To close a State Contract purchase order:

1. If applicable, notify P&SS of vendor's failure to meet its contractual obligations by sending an email to purchasing@txstate.edu. Wait for a response to this email before proceeding. (Skip if not applicable)
2. Send an email to purchasing@txstate.edu to close the PO.
 - a) This shall include the PO number and clearly state Close.
 - b) If only specific lines need to be closed, then identify those lines.

The Procurement & Strategic Sourcing Office will reply back to the email when the task is completed.

12 VENDOR PROCEDURES – GENERAL INFORMATION

This section provides guidelines for vendors that want to do business with Texas State University.

12.1 VENDOR GUIDELINES FOR DOING BUSINESS WITH TEXAS STATE UNIVERSITY

Vendors that want to do business with Texas State University shall follow these guidelines to accept purchase orders and receive payment from the university.

Registration with the Centralized Master Bidders List (CMBL):

Texas State University does not maintain an official bid list, and vendors do not have to register with any entity in order to place a bid or do business with the university. However, the university uses the CMBL to search for vendors. The CMBL is maintained by the Texas Comptroller of Public Accounts.

Vendors can find out how to be added to the CMBL by visiting the State of Texas' Comptroller's [Centralized Master Bidders List](#) web site. The CMBL file is continually updated with vendors.

12.2 SOLICITATION SUBMISSION REQUIREMENTS

Introduction: Texas State University is committed to providing a fair opportunity for all. Therefore, the Procurement & Strategic Sourcing Office, or delegated department, publishes solicitations for goods and services on the [ESBD](#) website when the expected value is \$50,000.01 or greater.

The university uses a variety of formal solicitation methods. For more information about the following methods, see the Purchasing Procedures Handbook:

- [5.4.2 Invitation to Bid \(IFB\)](#)
- [5.4.3 Request for Proposal \(RFP\)](#)
- [5.4.4 Request for Qualifications \(RFQ\)](#)
- [5.5 Request for Information \(RFI\)](#)

Note: A supplier does not have to be listed on the Centralized Master Bidders List (CMBL) to submit a response to a solicitation.

Solicitation Submission Requirements:

For the solicitation submission to be considered by the university, it shall comply with the formal solicitation document. Formal solicitation documents specifically outline the information and format required. Responses that do not meet these submission

requirements are subject to disqualification. Below are some things suppliers should be aware of when they submit a response:

- **Exceptions to Standard Terms and Conditions**
Standard terms and conditions apply to the subsequently awarded purchase order or contract. Respondents may propose exceptions to the terms and conditions; however, this could result in disqualification of the supplier's response. Requested exceptions shall include proposed alternative language.
- **Submission Deadline**
Responses shall be received by the submission deadline. Those received after the submission deadline will not be opened and will not be considered.
- **Response Opening**
Public response openings are not generally conducted by the P&SS Office. If a public opening is planned, the solicitation will note the details so interested parties may attend.
- **HUB Subcontracting Plan**
Solicitations with an expected value greater than \$90,000 will require the submission of a HUB Subcontracting Plan (HSP), or a HUB Determination form stating that subcontracting opportunities are not probable. The HSP is reviewed by the HUB Specialist for compliance. Failure by the Respondent to submit a HUB subcontracting plan when stated in the solicitation document that one is required will result in disqualification of the response. HSPs that are determined to be unacceptable by the HUB Specialist will result in disqualification.

Solicitation Results and Awards:

Solicitation Responses are evaluated based on criteria identified in the solicitation document. For Invitations to Bid (IFBs), the award is determined solely on the basis of price and delivery. For Requests for Proposals (RFPs), the award is based on best-value criteria. If best-value criteria are used:

- it is clearly identified in the solicitation document, along with the percentage weighting that will be used for each criterion.
- the university appoints an evaluation team comprised of subject matter experts and end users to score each proposal against the criteria.
- the P&SS Office compiles the scores from the evaluation team members and reviews the scores with the team. The team makes a recommendation as to what action to take, and the director of procurement decides how to proceed.

All Respondents are notified by the P&SS Office, or delegated department, when an award is made.

12.3 VENDOR PROTESTS, DISPUTES, AND RESOLUTIONS

Protests and disputes concerning procurement and contracting procedures at Texas State University are governed by the [Texas Government Code 2155.076](#) and [Texas State's Bid Protest/Appeal Guidelines](#).

12.4 UNIVERSITY TERMS AND CONDITIONS

The following is a link to the Terms and Conditions of Orders:

[Purchase Order Terms & Conditions](#)

For questions about terms and conditions of purchase orders or solicitations, contact the P&SS Office.

13. CONTRACTING

Introduction:

A. A contract is defined as:

“A contract is a legally binding document between at least two parties that defines and governs the rights and duties of the parties to an agreement.”.

A contract is required for any document expressing an intent to enter into any agreement or contractual arrangement resulting from any solicitation for goods or services that contains any terms and conditions, regardless of the amount of the solicitation.

B. Terms and conditions may be included in/with the document or be a link in the document.

Processing Guidelines:

A. Submit a Contract Request through the TSUS Marketplace. Refer to the [How to Create and Submit a Contract Request](#) instructions.

14 VENDOR MANAGEMENT

Introduction:

- A. In accordance with [FSS/PPS 03.13 Section 01.04](#), “Vendors should be established for goods or services that are not available through existing vendors or contracts already in place with the university. Examples of new vendors include, but are not limited to, sole source, proprietary, best value, special projects, and new contracts.”

Processing Guidelines:

- A. If a vendor is not set up in SAP a representative of the University department will send an invitation to the vendor via the PaymentWorks portal. If an existing vendor needs to make changes to their profile, they will log into PaymentWorks and make the changes. If they have not set up an account, an invitation will need to be sent by a representative of the University. The PaymentWorks portal to send the invitation along with how-to guides are located at <https://www.txstate.edu/procurement/resources/VENDOR-Self-Service.html>.