Finance & Operations Procurement and Business Services Policy FO-PUR-06
Term Contracts and TXMAS Contracts

Term contracts are established by commodity/service codes as a supply source for user entities. Contracts are based on estimated quantities and may be ordered as needed. There are two basic types of contract purchases, automated and non-automated. You can go to the following link to view all available term contracts (both automated and non-automated): [http://www2.cpa.state.tx.us/cat_page](http://www2.cpa.state.tx.us/cat_page) Also available through the Comptroller's Office are TXMAS contracts which are developed from contracts that have been competitively awarded by the federal government or any other government entity of any state.

AUTOMATED TERM CONTRACT
Automated term contract orders are generated by the Texas Procurement and Support Services (TPASS) computer when the necessary coded information is entered by Procurement and Business Services. SHSU is online with the TPASS purchasing system and therefore all information is entered online directly into their system. A purchase order is issued by that agency and mailed to both the vendor and the requesting agency. The requesting agency is responsible for reviewing the order for accuracy. If applicable, notify the TPASS Support Section. The requesting agency is responsible for errors and purchase order change notices through the TPASS, since all information is entered originally by the requesting agency. Higher Education may utilize the term contracts, but are not required to use them regardless of the type of funds utilized for the purchase.

NON AUTOMATED TERM CONTRACT
The non-automated term contract requires manual processing by the ordering entity, usually because of the more specialized nature of the contract purchase or the contract terms. The Procurement and Business Services Office is the only department authorized to distribute these type orders.

Agencies process non-automated purchase orders directly to the vendor. The ordering entity requisition number will be the purchase order number. A copy of the purchase order must be forwarded to TPASS to update purchase history files. The five (5) digit vendor number must also be included on this purchase order. The non-automated term contracts can be viewed online at [http://www2.cpa.state.tx.us/cat_page](http://www2.cpa.state.tx.us/cat_page).

TXMAS CONTRACTS
The Texas Procurement and Support Services (TPASS) has established, as an alternative purchasing method, the use of Texas multiple award schedule (TXMAS) contracts that have been developed from contracts that have been competitively awarded by the federal government or any other governmental entity of any state. As the responsible federal entity, the General Services Administration's (GSA) Federal Supply Service awards Federal Supply Schedule contracts by competitive procurement procedures for more than 50 schedules that cover multiple commodities and services. The prices reflected on GSA schedule contracts are the most favored customer (MFC) prices and the maximum price allowable. TXMAS contracts take advantage of the MFC pricing and under certain circumstances, an agency or local government entity may negotiate a lower price for the goods or services offered on a schedule contract.
LEASE OF COPIERS, FACSIMILE AND SCANNERS
Due to the fact many of the copiers and scanners have a memory board capable of storing information (which could be confidential) the Procurement Department is requiring departments to contact their purchaser prior to any terminations/expiration of their lease contract. Upon notification, the Procurement Department will take proper action to ensure the company is responsible for deleting all information from the memory board.

Reviewed by: John C. Hitzeman, Associate VP for Business Services
Date: May 2012