Policies and Forms

The most current version of Procurement Policies & Procedures and Forms are available online on the SHSU website.

- [http://www.shsu.edu/intranet/policies/](http://www.shsu.edu/intranet/policies/)
- [http://www.shsu.edu/intranet/policies/forms/index.html](http://www.shsu.edu/intranet/policies/forms/index.html)
General Purchasing Policies (PUR-01)

- Department purchasers are obligated to follow all policies and procedures when processing requisitions and are subject to compliance audits, as such.

- For assistance on any purchase, please contact your assigned Purchaser.

- **Goals**
  - Satisfy the needs of the University.
  - Spend the University’s money wisely.
  - Secure the best products and services at the best price possible.
General Purchasing Policies (PUR-01)

- **Objectives**
  - Conduct purchasing without favoritism and without arbitrariness.
  - Use small and Historically Underutilized Businesses (HUBs) whenever possible.
  - Acquire goods and services in an effective, efficient, and economical manner.
  - Store and protect assets.
Competitive Purchasing

- Use competitive purchasing whenever possible.

The Supreme Court of Texas defines competitive purchasing as:

all bidders are placed upon the same plane of equality and bid upon the same terms, conditions, and the same or substantially similar specifications.

- Departments are encouraged to solicit several quotes for items or services, even if below the bid threshold, to obtain the best value and use department funds wisely.
What is a HUB?

- **Texas Code 2161**
  - Mandates all Texas universities and state agencies have a HUB program.

- **Historically Underutilized Business (HUB)**
  - At least 51% ownership of the business is by a woman, ethnic minority or a disabled veteran and they actively participate in the business.

- **University HUB Coordinator**
  - 936-294-4670
  - hub@shsu.edu
  - Instructions on finding HUB Vendors and verifying if a specific vendor is a HUB are available online on Procurement’s webpage.
General Purchasing Policies (PUR-01)

• **HUB Categories**
  - Asian Pacific American
  - Black American
  - Hispanic American
  - Native American
  - American Women
  - Service Disable Vet

• **HUB Goals**
  - SHSU will make a “good faith effort” to assist HUB vendors to receive opportunities for award on purchase of supplies, materials, services, equipment and construction.

<table>
<thead>
<tr>
<th>Procurement Category</th>
<th>University HUB Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Construction</td>
<td>18.00%</td>
</tr>
<tr>
<td>Commodities</td>
<td>25.00%</td>
</tr>
<tr>
<td>Other Services</td>
<td>15.00%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>25.00%</td>
</tr>
<tr>
<td>Special Trade</td>
<td>32.70%</td>
</tr>
</tbody>
</table>
Ethics (PUR-02)

- **Employee Ethics**
  - **What is the public trust?**
    - State employment is a public trust.
    - Any attempt to realize personal gain through conduct inconsistent with the proper discharge of an employee’s duties is a breach of the public trust.
  
  - SHSU employees are subject to the standards of conduct of the University and The Texas State University System (TSUS).
  
  - University standards are located in the University’s Policies and Procedures.
  
  - TSUS standards are located in the Board of Regents’ Rules and Regulations.
Ethics (PUR-02)

- **Honor**
  - Acknowledge and honor the University’s standards of conduct, policies and procedures.

- **Conduct**
  - Purchase without favoritism and arbitrariness.

- **Pecuniary Interest**
  - No employee shall be directly or indirectly involved in a purchase in which they have a financial interest.
Ethics (PUR-02)

• **Conflict of Interest**
  • No employee shall be directly or indirectly involved in a purchase in which the employee has a conflict of interest.

• **Gifts**
  • Employees should not accept or solicit any gift, favor, service, trips, or loan that might reasonably appear to influence the employee in performing official job duties.

• **Benefits for Performing Official Duties**
  • Employees should not solicit, accept, or agree to accept any benefit for exercising official powers or for performing official job duties.
  • Employees who participate in the evaluation of vendor bids or proposals are required to sign and abide by a Non-Disclosure form that applies specifically to the bid/proposal being evaluated.
Nepotism Disclosure

Before a state agency may award a major contract for the purchase of goods or services to a business, state agency personnel working on the contract must disclose, in writing, any relationship they are aware of between the agency employee and the business entity’s employees, partners, major stockholders, or paid consultants with a contract with the business entity, the value of which exceeds $25,000, or other owner of the business that is within a degree described by Section 573.002.

Any person who makes decisions or recommendations at any point throughout the process of major contract development, evaluation, award, monitoring and re-award is required to disclose, in writing, any relationship the prescribed person has with the respondent or potential respondent(s) with a financial interest of $25,000, or higher, who directly or indirectly controls more than 10% interest in the respondent’s company.
The responsibility and authority to purchase materials, supplies, goods, equipment, and services is granted by:

- Texas Legislature
- Texas Education Code
- The Texas State University System
- SHSU
Non-Complying Purchases (PUR-04)

- Internal Department controls shall be established to assure fully authorized P-Card and BearKatBuy Purchase Requisitions are in place prior to the delivery of goods or services.

- **Non-Compliance Issues**
  - Issuing Purchase Requisitions in BearKatBuy after goods/services have been received
  - Chain Purchasing
  - Not obtaining all required approvals before submitting Purchase Requisitions or making a P-Card transaction
  - Exceeding dollar limits

- **After-the-Fact Letter/Memo**
  - < $500 – Requires Dean’s signature
  - ≥ $500 – Requires VP signature
  - Excess of three non-compliant purchases in one fiscal year – Requires President’s approval
  - Attach to BearKatBuy Requisition
Purchasing Process (PUR-05)

- **Basic Process**
  - Develop written description of needed commodity or services (Specifications).
  - Advertise requirements to the public so any interested party may respond with an offer to sell. From offers received, “lowest and best bid” is determined and considered.
  - Satisfy the needs of the University and spend the University’s money wisely.

- **Dollar Limits**
  - $0 - $15,000 No Bids/competition required
  - $15,001 - $25,000 Informal bids processed by Procurement
  - $25,001 and above Formal bids processed by Procurement

⭐ When getting quotes for goods or services $\leq$ $15,000$, encouraged to obtain a minimum of two quotes to ensure best value and wisest use of department funds.
Purchasing Process (PUR-05)

• **Purchase Requisitions**
  - Document department uses to request goods or services
    - Identifies and describes the item or service
    - Includes specifications, if applicable
    - Includes backup documentation (quote, required forms)
    - Identifies funding source and fiscal year
    - Approval authority
  - **Description of Goods & Services**
    - Completely describe goods or services requested
  - Purchase requisitions are submitted in the BearKatBuy system
Franchise Tax Status

- Departments required to check vendor’s Franchise Tax Status, for any purchases over $500.
- Found on State Comptroller’s website:
  - [https://mycpa,cpa.state.tx.us/coa/search.do](https://mycpa.cp.state.tx.us/coa/search.do)
- Not required to print a copy and attach to BearKatBuy requisition.
- Recommend keep a copy in department files for audit purposes.
Franchise Tax Status

- Enter vendor name in Entity Name field then click the blue Search button.
• If vendor name found, click the blue *Details* button.
Franchise Tax Status

- Vendor’s Franchise Tax Status displays.
- If *Active*, *Franchise Tax Ended*, or vendor not found, proceed with purchase.
- If “Forfeited,” cannot use vendor and must find another one with item or service you need.

```
<table>
<thead>
<tr>
<th>Field</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas Taxpayer Number</td>
<td>16805220965</td>
</tr>
<tr>
<td>Mailing Address</td>
<td>308 STATE HIGHWAY 75 N STE B</td>
</tr>
<tr>
<td></td>
<td>HUNTSVILLE, TX 77320-3181</td>
</tr>
<tr>
<td>Right to Transact Business in</td>
<td>ACTIVE</td>
</tr>
<tr>
<td>Texas</td>
<td>TX</td>
</tr>
<tr>
<td>State of Formation</td>
<td></td>
</tr>
<tr>
<td>Effective SOS Registration Date</td>
<td>09/19/2002</td>
</tr>
<tr>
<td>Texas SOS File Number</td>
<td>0800124797</td>
</tr>
<tr>
<td>Registered Agent Name</td>
<td>MELISSA HODGES</td>
</tr>
<tr>
<td>Registered Office Street Address</td>
<td>308 HWY 75 STE B HUNTSVILLE, TX</td>
</tr>
<tr>
<td></td>
<td>77320</td>
</tr>
</tbody>
</table>
```
TxSmartBuy, Automated, Managed, Term Contracts, & TXMAS Contracts (PUR-06)

- **Term Contracts**
  - Contracts bid out by State of Texas Comptroller’s Statewide Procurement Division.
  - All state agencies can purchase off these contracts through the State’s e-procurement system – TxSmartBuy.
  - Departments may use for better pricing.
  - [http://www.txsmartbuy.com/contracts](http://www.txsmartbuy.com/contracts)
Types of State Contract Purchases

1) Automated
   - TxSmartBuy Term Contracts
   - TXMAS – Texas Multiple Award Schedule
   - DIR – Department of Information Resources (IT products/services)
   - TCI – Texas Correctional Industries
   - TIBH Industries – Program that employs Texans with disabilities

2) Non-Automated
   - Managed Term Contracts
   - Example: Overnight/Second Day/Ground Delivery Services
     - Complete BearKatBuy requisition for blanket coverage for the FY

Regardless of the contract chosen, each request must begin with a BearKatBuy requisition. Automated contracts will be entered by Procurement into the State’s eProcurement system.
**TxSmartBuy, Automated, Managed, Term Contracts, & TXMAS Contracts (PUR-06)**

- **Lease of Copiers, Fax/Scanners**
  - Route copiers, copier maintenance agreements, & scanners through IT.
  - Ricoh and Xerox are Punch Out vendors in BearKatBuy.
    - 36-month lease options only
    - Instructions
  - Ensure last two digits of account code are “99” to route requisition through IT approval queue and IT Purchaser in BearKatBuy.
    - Example: XXXX99
  - Many copiers/scanners have a memory board capable of storing information (which could be confidential) so departments should contact Procurement prior to any terminations/expirations of leased copiers or turning copiers into Property Department for Surplus Sale to ensure company deletes all information.
Departmental Purchases (PUR-07)

- **BearKatBuy System**
  - Purchases, which do not fall under the P-Card guidelines, require a requisition to be created and submitted in BearKatBuy.
  - BearKatBuy Training is available as an online class through Talent Management.
  - BearKatBuy FAQs and Cheat Sheets are all available online on Procurement’s webpage.
    - [http://www.shsu.edu/dept/procurement/training.html](http://www.shsu.edu/dept/procurement/training.html)
  - Include a complete description of goods or services on requisition
    (quantities, size/dimensions, date of event/service, specifications, model #, shipping, etc.)
  - Include appropriate attachments with requisition
    (Quote, FO-19 A Form, Authorization of Professional/Consulting Services Form, Specifications, etc.)
Departmental Purchases (PUR-07)

- **P-Card**
  - Departments are required to use their P-Card for all purchases that fall within the P-Card guidelines.
  - **P-Card Information**
    - [http://www.shsu.edu/dept/procurement/pcard/index.html](http://www.shsu.edu/dept/procurement/pcard/index.html)
  - Requests for increases in dollar thresholds for an individual purchase & total monthly P-Card expenditures can be increased using the *Request for P-Card Credit Limit Increases* form.
  - Separate P-Card training is available as an online class through Talent Management.
• **P-Card**
  - Program is designed to establish a more efficient, cost-effective method for paying for certain orders and to delegate the authority and capacity to make certain purchases to the end user.
  - The P-Card is not intended to avoid or bypass appropriate purchasing procedures or bidding requirements.
  - SHSU’s P-Card Policy can be found at:
  - P-Card Policy Training is offered to delegates and card users as a separate training.
  - Direct questions regarding P-Card Policy and use to SHSU’s P-Card Program Administrator at 936-294-1991 or email shsupcard@shsu.edu.
Purchases / Other (PUR-09)

- **Chain Purchasing**
  - Attempt to circumvent the limit for which bids are required by using **two or more** BearKatBuy Requisitions and/or P-Card transactions for **one vendor** within **1-3 business days**.
  - May result in disciplinary action

- **Professional & Consultant Services**

  - **Professional Services**
    - Accountants
    - Architects
    - Land Surveyors
    - Physicians
  
  - **Optometrists**
  - **Engineers**
  - **Real Estate Appraisers**
  - **Nurses**
Purchases / Other (PUR-09)

• Professional & Consultant Services
  • Consulting Services
    • Limited to the service of studying and advising a state agency and providing a written report of findings
  • Major Consulting Services Contract
    • Value greater than $25,000
    • Over life of the contract
    • Must post on Texas Register minimum of 30-days before entering into contract
Purchases / Other (PUR-09)

- **Professional & Consultant Services**
  - **Selection of a Provider**
    - Selected on basis of demonstrated competence and qualifications to perform the services
    - Fair and reasonable price
    - Attach backup documentation
    - If a solicitation will enhance the selection process, contact Procurement to prepare a formal Request for Proposal/Qualifications.
• **Professional & Consultant Services**
  
  • **Special Services Contracts**
    
    • Services not covered under Texas Government Code but are considered professional services by State Comptroller and IRS.
    
    • In these situations where no competition exists, a contract may be made by noncompetitive negotiations.
    
    • Examples:
      
      • Lecturer
      • Guest Artist
      • Pianist
      • Accompanist
      
      • Guest Speaker
      • Poetry Reading
      • Choreographer
      • Expert Witness
Purchases / Other (PUR-09)

- **Professional & Consultant Services**
  - Authorization of Professional/Consulting Services Form
    - Required for Professional, Consulting, and Special Services.
    - SHSU signatures based upon signature authority for dollar amount to be paid.
    - Attach to BearKatBuy Requisition.
SAM HOUSTON STATE UNIVERSITY
AUTHORIZATION OF PROFESSIONAL/CONSULTING SERVICES

Approval is requested to compensate the individual named below for the services described.

NAME: __________________________

PERMANENT ADDRESS: Street City State Zip

NATURE OF SERVICES: ☐ Guest Lecturer ☐ Continuing Education ☐ Conference Participants ☐ Other Professional Activities

DESCRIPTION OF SERVICES: __________________________________________________________

QUALIFICATIONS: ________________________________________________________________

EMPLOYMENT STATUS: ☐ Non-State Employee ☐ Federal Employee

☐ State of Texas Institution or Agency Employee

Identify: ___________________________

Approved: _________________________ President/Agency Title Date

☐ SHSU Employee

Title: ____________________________

Dept.: ____________________________

Disposition of Duties: ____________________________________________________________

NEPOTISM STATEMENT: Name, relationship, title, and department of any University employee or agent who is related to the above individual.

PROPOSED PAYMENT:

Rate: ____________________________ (per hour) Period of Appointment:

Total Fee: _______________________

Account Title(s): ___________________

Transportation: ____________________ Form Prepared By: ___________________________

Other (Specify): ____________________ Mail Code: __________ Phone: __________________

Estimated Total: ____________________

APPROVALS:

Chairperson/Director Date Vice President Date

Dean Date For Provost Date

GRANT OR CONTRACT CERTIFICATION: The services provided by this consultant are (1) essential and cannot be provided by available SHSU personnel, (2) a selection process based on expertise and ability has been employed and this consultant is the most qualified individual available, (3) the fee is reasonable considering the nature and extent of the services required, (4) proper documentation is on file to support these standards, and the consultant is

☐ causer in the approved grant/contract, or

☐ approved in writing by the granting agency.

Federally Funded? ☐ Yes ☐ No Principal Investigator __________________________ Date __________

NON-EMPLOYEE TRAVEL REIMBURSEMENT STATEMENT OF INTENT: With respect to travel expenses to be reimbursed under this authorization, it is my intent to:

☐ not provide an accounting for expenses. All amounts will be reported as non-employee compensation on IRS form 1099.

☐ provide an accounting for all expenses, and include required original receipts. I understand that amounts not adequately accounted for may be reported as non-employee compensation on IRS form 1099.

COMPLETE THIS SECTION AFTER SERVICES ARE PERFORMED:

I have performed the above services for the ____________________________ Department of Sam Houston State University during the period _______________ to _______________.

Signature: ___________________________ Date: ___________________________
Emergency Purchases

- A purchase of goods/services so badly needed that the University will suffer financial or operational damage unless they are secured immediately.
- Letter of justification required.
- Bids not required if ≤ $15,000.
- If in excess of $15,000 – 3 informal bids, unless bids would significantly impede process of completing purchase.
- President’s decision to declare an emergency purchase over $15,000.
- If time allows, follow competitive sealed bid process.
Purchases / Other (PUR-09)

• **Group Cooperative Purchasing Program**
  - Group cooperative organizations bid out various contracts and co-op members then purchase off the awarded contracts.
  - Lowers pricing by aggregating purchasing power of member institutions.
  - Streamlines the purchasing process.
  - Reduces time, complexity, and total costs.
  - Departments can utilize cooperative contracts without having to go through the bid process, as the cooperative has already competitively bid the goods and services.
  - Cooperative Contract Name and Contract # must be on vendor quote.
  - Check *Group/COOP* box on BearKatBuy Requisition.
Purchases / Other (PUR-09)

- **Group Cooperative Purchasing Program**

  **SHSU member of:**

  - Choice Partners
  - Education & Institutional Cooperative (E&I)
  - First Choice Cooperative
  - National Cooperative Purchasing Alliance
  - National IPA/TCPN
  - National Joint Powers Alliance
  - Provista
  - Purchasing Solutions Alliance (PSA)
  - Region VIII Education Service Center Interlocal Agreement
  - Southeast Texas Purchasing Co-op
  - Texas Association of School Boards (BuyBoard)
  - U.S. Communities
Exemptions from the Competitive Bid Process

Classified Advertising
- Newspapers, Magazines, Radio, Television, Billboards, Classifieds, Yellow Page Ads, Internet Ads
- Does not include fees paid to public relations or advertising firms for services in developing ad campaigns/programs
- Ad copy/text for personnel positions must first be approved by HR

Conference Expenses
- Room Rental, Booth Space, Audio/Visual/Network Services, Food Services
- Does not include goods purchased for attendees or transportation services
Exemptions from the Competitive Bid Process

- Direct Publications
  - Publications only available from a single source.
  - A publication that can be purchased using a competitive bid process is not considered a Direct Publication.
    - Example: Publications available through subscription services
  - Attach documentation verifying materials are only available from one source.
    - Examples: Documentation from publisher, patent, copyright information

- Freight

- Goods/Services provided by Texas Department of Criminal Justice (TDCJ) or Texas Correctional Industries (TCI)
Purchases / Other (PUR-09)

- **Exemptions from the Competitive Bid Process**

  - Goods/Services provided by TIBH Industries
    - TIBH Industries & State Funds
      - Provides employment opportunities for people with disabilities.
      - When purchasing items that can be provided by TIBH Industries and using State funds, Texas Law states must purchase from them.
        - [https://tibh.org/](https://tibh.org/)
          - Paper, Binders, Pens, Highlighters, Labels, Award Plaques/Pens, Toner

  - TIBH Monthly Exception Report
    - Complete when used State funds for items offered by TIBH Industries but purchased from another source.
    - Exceptions: Quantity, Quality, Delivery, Life Cycle Cost
    - Found on SHSU Website under University Forms
      - Submit to Procurement by 10th day of the month
      - Email: procurement@shsu.edu
Purchases / Other (PUR-09)

- **Exemptions from the Competitive Bid Process**
  - Internal Repairs
  - Lease of Space
    - Lease of space requests, regardless of dollar amount, must be submitted to Procurement through BearKatBuy and include specific lease information
  - Lecturers/Guest Speakers/Entertainers
    - Hired on a one-time basis
  - Legislative Information Services
  - Membership Fees and Dues
Purchases / Other (PUR-09)

- Exemptions from the Competitive Bid Process
  - Employee Moving Expenses
    - Institutional funds only
  - Newspaper and Magazine Subscriptions Direct from Publisher
  - Registration Fees and Associated Books/Materials
  - Rental of Exhibit Space
    - Booths for display purposes
  - Purchases from Federal Agencies
  - Utilities
Texas Sales Tax Exempt Certificate

- Departments complete form and provide to vendors requesting it to verify SHSU is tax exempt and ensure purchase is tax free.
- Issued for individual POs rather than as a blanket tax exemption.
- Be specific as possible when completing “Description” area of certificate.
  - Reference Requisition # or PO#
- Maintain copy of completed Exemption Certificate in department records. Can attach to PO in BearKatBuy.
- Tax Exempt Certificate available from State Comptroller’s website:
  - https://comptroller.texas.gov/taxes/exempt/forms/
  - Make sure fill out Texas Sales & Use Tax Exemption Certification form (2nd Page) and not Texas Sales & Use Tax Resale Certificate
Texas Sales and Use Tax Exemption Certification
This certificate does not require a number to be valid.

<table>
<thead>
<tr>
<th>Name of purchaser, firm or agency</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sam Houston State University - Department Name</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Department Address</td>
<td></td>
</tr>
<tr>
<td>City, State, ZIP code</td>
<td>Huntsville, TX 77340</td>
</tr>
</tbody>
</table>

| Phone (Area code and number) | Department Phone # |  |
|------------------------------|---------------------|  |

I, the purchaser named above, claim an exemption from payment of sales and use taxes (for the purchase of taxable items described below or on the attached order or invoice) from:

<table>
<thead>
<tr>
<th>Seller</th>
<th>Vendor Name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Street address:</th>
<th>Vendor Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>City, State, ZIP code:</td>
<td>Vendor Address</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description of items to be purchased or on the attached order or invoice:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detailed description, Reference BearKatBuy Requisition # or PO#:</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Purchaser claims this exemption for the following reason:

<table>
<thead>
<tr>
<th>Purchases made by Sam Houston State University are tax exempt from State Sales Tax and Federal Excise Tax per Texas Tax Code, Section 151.305(4).</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>I understand that I will be liable for payment of all state and local sales or use taxes which may become due for failure to comply with the provisions of the Tax Code and/or all applicable law.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner other than that expressed in this certificate, and depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Purchaser</th>
<th>Title</th>
<th>Title of Signatory</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>sign here</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NOTE: This certificate cannot be issued for the purchase, lease, or rental of a motor vehicle.

THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID.

Sales and Use Tax “Exemption Numbers” or “Tax Exempt” Numbers do not exist.

This certificate should be furnished to the supplier.

Do not send the completed certificate to the Comptroller of Public Accounts.
• Proprietary Purchases – “Sole Source”
  • Justified only when equivalent product or service competition is not available.
    • Example: Vendor has trademark/patent, only one distributor authorized to sell in the U.S. or in a specific region
  • When limiting purchase to one manufacturer, one product or service provider, written justification is required.
    • http://www.shsu.edu/intranet/policies/forms/documents/SOLE+SOURCE+REQUIREMENTS2.pdf
  • Include backup documentation supporting sole source
    • Copyrights, Patents, Research on product/service
  • Approved by Procurement
  • Not required for purchases ≤ $15,000
  • Department Chair or Principal Investigator (Grant Account) must sign form
  • In signing, acknowledges their responsibility to formally address any protests or audit findings resulting from sole source recommendation.
REQUIREMENTS AND ACCOUNTABILITY IN RECOMMENDING
A SOLE SOURCE PRODUCT OR SERVICE

• Explain in detail, the reason why competing products/service are not acceptable (example: copyrights, patents, match existing equipment).

• Other distinct features of the product or service required by the department that are not shared or provided by competing companies.

• Benefits received from the product or service. Note: Preference is not an acceptable reason for a sole source justification.

In completing and signing a letter of recommendation for a sole source purchase or service, the Department Chair acknowledges their responsibility to formally address any protest(s) or audit finding/s resulting from the sole source recommendation. 
Backup documentation, such as: research on the product or service, contact with vendors (names, dates, list of concerns addressed to those vendor/s), proof of patents, copyrights, etc. should accompany your letter of recommendation.
All contracts must be reviewed by General Counsel before sending the contract to the vendor for signature.

Department
Department Chair
Grants (Principle Investigator)

Date
Purchases / Other (PUR-09)

- **Technology Purchases**
  - Any computer hardware, software, software renewals, peripherals, electronic subscriptions, video development, phones, and security equipment require IT approval.
  - IT approval is through approval queues in BearKatBuy.
  - Ensure last two digits of account code are ‘99” to route requisition through IT approval queue and IT Purchaser.
    - Example: XXXX99
  - Route copiers, copier maintenance agreements, & scanners through IT.
  - Items such as flash drives, keyboards, microphones, webcams, cables/cords, audio recorders, and digital cameras do not require IT approval.
  - See IT Policy - Technology Acquisition Oversight Statement (IT-S03)
**Used Equipment**

- As a rule, purchase new equipment
- Occasionally necessary/advantageous to purchase used/demo equipment
  - Inability to secure new equipment
  - Lack of adequate funds for new equipment
  - Used equipment will provide a substantial savings (cost comparison to new equipment required).

To purchase used equipment:

- Obtain a minimum of three bids
- If only one bid received, prepare a statement explaining why no competition exists
- Letter from authorized person at the University indicating
  - Equipment has been personally examined
  - Describes condition and value of equipment
Purchases / Other (PUR-09)

- **Internal Repairs**
  - Occurs when the extent of repairs can’t be determined until the problem is clearly defined.
  - Must include labor. May also include parts.
  - The term “Internal Repairs” must be indicated on the requisition.
Solicitation Advertisement (PUR-10)

- Solicitation of bids for purchases over $15,000 are to be processed only by Procurement.
  - BearKatBuy Sourcing Director
    - Invitations for Bids (IFB)
    - Request for Proposals (RFP)
- Solicitations over $25,000 - posted on State Electronic Business Daily (ESBD) on State Comptroller website.
- All purchases/services exceeding $100,000 require a completed HUB Subcontracting Plan at time of bid opening.
- Department attaches specifications of goods/services needed to BearKatBuy Requisition.

**Minimum # Days to Advertise Solicitations**

<table>
<thead>
<tr>
<th>Days</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-10 Calendar Days</td>
<td>Greater than $15,000 but less than $25,000</td>
</tr>
<tr>
<td></td>
<td><em>If specifications are complex, longer period may be used</em></td>
</tr>
<tr>
<td>21 Calendar Days</td>
<td>$25,000 or more</td>
</tr>
</tbody>
</table>

- Minimum of two weeks requested to prepare IFBs over $25,000
- Allow 3 - 4 weeks for overall bid process for IFBs
- Allow 6 - 8 weeks for overall RFP process
Invitation for Bids (PUR-10)

- **Award of IFBs**
  - Only evaluate bids on specifications outlined in IFB.
  - Bids must be received in BearKatBuy Sourcing Director before due date in order to be considered.
  - Award made to bidder submitting the lowest and best bid that meets/exceeds bid specifications.

- **No Award**
  - No bidders responded
  - No bidders met specifications
  - University decides not to make an award
    - Budgetary constraints
    - Change in requirements

- **Re-Award**
  - Award may be made to next lowest bidder meeting specifications if original vendor cannot meet conditions of the purchase order.
  - Written permission required from vendor to withdraw bid or cancel a purchase order.
A Request for Proposal (RFP) is an electronic request for sealed proposals in BearKatBuy Sourcing Director.

- Allows multiple factors to be evaluated, in addition to price.
  - Experience, Qualifications, Business History, References, Methodology, Samples, etc.
- Provides option for a negotiation phase and Best and Final Offer.
- Processed by Procurement.
- Department must submit an approved BearKatBuy requisition with specifications before the RFP process can begin.
- Allow minimum of 6-8 weeks for overall RFP process.
Requests for Proposals (PUR-11)

- **RFP Process**
  - Evaluation Team of 3-5 members develops evaluation criteria and rough draft of Request for Proposal.
    - Evaluation scoring matrix with assigned points on 100 pt. scale
  - Tentative timeline determined.
  - Determine if site visit or pre-proposal conference needed and dates.
  - Non-Disclosure Agreements signed.
  - RFP advertised.
Requests for Proposals (PUR-11)

• **RFP Evaluation**
  • Once solicitation has closed, Evaluation Team independently and impartially evaluates proposals received in BearKatBuy Sourcing Director.
  • Highest scoring proposal is considered for award.
  • Evaluation Team decides whether to make an award, not award, or ask for best and final offer based on total proposal scores.
  • Evaluation Team Leader prepares letter to Procurement with Evaluation Team’s recommendation.
Specification Writing

• **Specifications should be:**
  - Clear
  - Simple
  - Accurate
  - Competitive
  - Flexible
  - Complete

• **Specifications include:**
  - Description of product/service
  - Requirements to be satisfied by a product/service
  - Design and materials to be used
  - Performance characteristics
  - Technical standards to be met
  - Essential characteristics
  - Warranty
  - Shipping
  - Maintenance
Specification Writing

- Without adequate specifications, you may not end up with a purchase that fits your needs.
- Cannot evaluate a bid on criteria that is not part of your specifications.

**SO YOU WANT TO BUY A SHOVEL?**

**What type of shovel?**
- Cement
- Coal
- D-Handle
- Ditch
- Drain
- Forged
- Garden
- General Service
- Long-Handed
- Narrow Scoop
- Roof Spade
- Round Point
- Scoop
- Snow
- Snow Pusher
- Spade
- Square Point
- Street
- Trenching
- Weed Blade

**Material?**
- Poly that is lightweight and corrosion resistant
- Aluminum
- Tempered Steel
- Forged from one solid bar of steel
- Ergonomic Design
- Resistant to industrial chemicals
- Easily cleaned of concrete, tar, etc.
- 100% Weather Resistant
- Carbon Steel
- Reinforcing Brooches
- Non-stick Finish
- UV Resistant

**How large of a blade?**
- 5" x \(\frac{3}{4}\)"
- 9-3/4" x 12"
- 8.5" x 11.5"
- 11" x 15"
- 4" x 12", Etc.

**How long?**
- 27"
- 30"
- 47"
- Options available all the way to 82"

**What type of handle?**
- D-Handle
- Straight
- Bent

**Do you need storage?**
- Rack
- Hooks
- Cabinet

**Do you want a wood handle? Steel?**

**Do you need a removable handle?**

**When do you need it?**

**How Many?**

**Fully assembled?**

**Where should it be delivered?**

**Warranty?**

**How often does it need to be replaced?**

**Insurance required?**

**Training needed?**
Contracts

- Requisitions with Agreements/Contracts/Terms & Conditions require review by Procurement Contract Manager.
  - Check *Contract Box* on BearKatBuy Requisition to insert Contract Manager into BearKatBuy approval queue.
- Delegation of Authority found in President’s Office Policy PRE-05
Property Department Scrap Metal Sales (PUR-12)

- Property Department obtains informal bids for the sale of scrap metal on a per pound basis.
- If no bids are received, the University reserves the right to dispose of the scrap metal through a local recycling center.
How to Purchase Live Animals for Agriculture (PUR-13)
How to Sell Live Animals (PUR-14)
How to Lease Out Animals (PUR-15)

Beef & Dairy Cattle, Chickens, Goats, Hogs, Horses, etc.

• Purchase through Public or Private Auction
• Only University Property Coordinator can sell state property.
• Contact Property Department regarding selling or leasing of live animals.
Transfer & Disposal of Surplus Property (PUR-16)

• University Property Coordinator is the only one who can sell or dispose of State property.

• **Procedure:**
  • Department identifies and reports any excess equipment to the Property Department.
  • Property Coordinator will assist in transfer of equipment to the Property Office.
  • A department that needs equipment may obtain it from surplus at the Property Office.

• **Property Coordinator can:**
  • Transfer equipment to another state agency
  • Hold a Surplus Auction
Purchases with HEAF Funds (PUR-17)

• Higher Education Assistance Funds (HEAF) – State Funds
  • Subject to state expenditure procedures and restrictions.
  • Assets obtained with HEAF funds shall have a unit cost of $250 or more and a useful life of one year or more.
  • Construction/renovation projects must have a total cost greater than $5,000 to use HEAF

• Acceptable HEAF Expenditures:
  • Equipment, Library Books and Materials
  • Major Repairs/Rehabilitation of Buildings
  • Construction & Equipping of Buildings or other Permanent Improvements
  • Acquisition of Land

• SHSU Service Departments (Facilities, Telephone Services, & IT) may be paid from HEAF accounts for capital expenditures only.
Purchases with HEAF Funds (PUR-17)

- HEAF Cannot be Used:
  - Interdepartmental Charges
  - Advance Payments
  - Operating Expenses
  - P-Card
  - Student Housing
  - Intercollegiate Athletics
  - Auxiliary Enterprises
Management of Compressed Gases & Cylinders (PUR-18)

- Centrally managed on campus by the Facilities Department in conjunction with Procurement & Business Services.
- One campus-wide contract is bid out for all gas purchases.
- Each FY, departments are required to submit a BearKatBuy requisition for any compressed gas usage.

**Receiving Compressed Gases**

- Department orders gases directly from vendor and orders are delivered directly to department.
- Departments responsible for verifying delivery and return of empty cylinders.
- Upon receiving gases, department forwards receiving ticket to Facilities Management.
- Departments complete receiving process in BearKatBuy to facilitate timely payment.
Management of Compressed Gases & Cylinders (PUR-18)

**Monitoring**

- Facilities Management maintains a list of all compressed gas cylinder locations.
- University’s Environmental Health, Safety & Risk Management Office responsible for periodic inspection and compliance with all life safety codes.
- Departments are responsible for safety compliance.
  - [http://www.shsu.edu/safety/](http://www.shsu.edu/safety/)
- Compressed gas cylinders remain owned and are the responsibility of the vendor. Departments will not own gas cylinders.
Achievement of Awards (PUR-19)

- Achievement awards, gifts, plaques, trophies, certificates, etc., require approval of a Dean or VP.
- FO-19A Form must be submitted with the BearKatBuy requisition.
- When using the P-Card, attach the FO-19A Form to the monthly Expense Report.
- For employee gifts, refer to Gift Policy under Administrative Policies.

**Using State Funds**

- Limited to $100.00 per award to SHSU employees.
  - Includes engraving/lettering in $100.00 limit.
- Volunteers (Non-SHSU Employees)
  - Limited to $75.00 per volunteer
  - Only recognize volunteers’ achievement if the agency has established a volunteer program that complies with Texas Government Code 2109.001 & 2109.006.
Vendor Ethics (PUR-20)

• **Public Trust**
  
  • As an agency of the State of Texas and member of the Texas State University System (TSUS), SHSU holds the trust of the public.
  
  • All vendors and persons doing business with SHSU must provide the highest level of ethics and service in all business interactions.
  
  • Vendors must comply with all state and federal laws as well as SHSU policies/procedures & TSUS Board of Regent Rules and Regulations.
Vendor Ethics (PUR-20)

• Ethical Expectations

Vendor shall not:

• Give, offer to give, nor intend to give at any time any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, etc., to a University employee that might reasonably appear to influence the employee in the discharge of official duties.
• Receive compensation for preparing specifications, RFPs or formulation of any contract with the University.
• Submit a bid/proposal nor contract with the University when the vendor owners/employees are also employees of the University.
• Vendor must disclose if related to a University employee during the bid/proposal process or in advance of the negotiation of any contract.
Vendor Ethics (PUR-20)

- **Reporting Violations**
  - Any individual who has information indicating an SHSU employee or vendor has not complied with the ethics policy, may make a report via telephone or thru the internet via SHSU’s EthicsPoint Hotline.
  - Confidential avenue for reporting potential waste, fraud, abuse of resources, lack of compliance with laws/regulations, or violation of ethical expectations.
  - Investigated by individuals independent from TSUS or SHSU management.

**EthicsPoint**

Reports can be made anonymously via their web-site: [www.ethicspoint.com](http://www.ethicspoint.com)

Respondents may also review progress on their report anonymously. Persons with valid concerns are strongly encouraged to use this website.

Alternatively, reports may be made, again anonymously, by telephone:

- Toll-free 866-ETHICS-P (866-384-4277)

**State Auditors Fraud Hotline**

1-800-TX-AUDIT (892-8348)
Purchase of Artwork (PUR-22)

• Public Art
  - Artwork such as: sculptures, paintings, prints, or photographs purchased or donated to the University, or special artwork incorporated as part of building construction/renovation of a facility, located in a place accessible by the general public.
  - Acquisition of artwork is exempt from the normal Bidding or Request for Proposal process, refer to Public Art Policy under Administrative Policies.
Policies & Procedures for Property (PUR-23)

• **Property**
  - Property Inventory control is provided by the Property Department to assist departments in the management of their assets.

• **Capital Assets**
  - Value of $5,000 or more and a useful life of one year or more

• **Controlled Assets**
  - State Comptroller determined must be secured and tracked due to the nature of the items
  - Value of $500 - $4,999.99
  - Personal Computers, Projectors, Cameras, Camcorders, Televisions, etc…
  - All firearms are controlled regardless of the dollar amount.

• All capitalized & controlled assets are tagged with a property number label as property owned by the University.
  - Exception: Real Property – land/buildings.
• Property number labels must be visible and easily accessible during the annual inventory.
Policies & Procedures for Property (PUR-23)

• Responsibilities
  • Agency Head, Property Manager, Department Head, & Equipment Manager responsibilities are covered in detail in the policy.
    • If Department Head changes, department is required to submit to the Property Office
      • Notice of Change in Dept. Head and/or Authority Form
  • Spot-Check Audits are conducted by Property personnel

• Department Responsibilities
  • Responsibility of custody/care of property lies with the Department Head.
  • Maintain adequate internal control procedures.
  • Ensure property is tracked and secured in a manner most likely to prevent theft, loss, damage or misuse.
  • Know at all times where the property under its control is located.
  • Use State property only for State purposes.
Policies & Procedures for Property (PUR-23)

- **Department Responsibilities (continued)**
  - Report any missing property to the Property Office.
    - *Missing/Found Asset Report Form M-12*
  - Immediately report any stolen property to UPD and Property Office.
    - *Stolen Property Report Form S-12*
  - Perform annual inventory at the request of the Property Office

- **Surplus Property**
  - Department notifies Property Office of items that are no longer required, to include surplus, obsolete, and/or broken property.
    - *Request for Changing Inventory Items & Work Request Form RC-21*
  - No property is to be junked or placed in the trash.
  - All surplus computer and computer related equipment must be sent to IT for disposal.
Policies & Procedures for Property (PUR-23)

- **Surplus Property (continued)**
  - A department that needs furnishings or equipment may visit the Property Office at Sam South to view surplus property and arrange to have it reallocated for their use.
  - Only the Property Office can sell or otherwise dispose of University property.
    - Online Auctions are being utilized at this time.

- All Property Forms are available on the Forms page of the SHSU website.
Mail Services (PUR-24)

- Campus Post Office services the University community & the general public.
  - Schedule/Info
    - http://www.shsu.edu/dept/mail-services/

- Distribution of Mail
  - Mail is distributed free to departments & students.
  - Departments are encouraged to distribute w/o individual addresses when sending mass mailings to departments.
    - Only the top piece should have an address on this kind of mail.
  - Mail received from USPS is distributed with no additional charge
    - Exceptions: postage due, business reply mail, other fees imposed by USPS.
Mail Services (PUR-24)

• **Bulk Advertising Mailings**
  - Departments are encouraged to use discount mailings whenever feasible to save mailing costs.
  - SH Press & Copy Center will prepare discounted mailing for a fee.
  - If using external companies, first contact Mail Services for use of official Mailing Permit #.

• **Postage**
  - Departments pay postage with a completed postage slip that should accompany their outgoing mail.
  - Must include department FOP (Fund/Org/Program) on the slip.
  - Postage slips may be ordered from the SH Press & Copy Center.
Purchase of Food, Beverage, Flowers, Promotional Items & Gifts
Finance & Operations Policy FO-19

- A signed FO-19A Form is required to be attached to BearKatBuy Requisitions or P-Card Monthly Expense Reports for these purchases.
- No State funds may be used for food.
  - Exceptions are LEMIT & CMIT programs in Criminal Justice
- Direct Purpose/Specific Limitation Fields
  - Must list one of the guidelines from policy as the Direct Purpose
  - Enter Direct Purpose Number, 6.81_
    - Example: 6.811 – Recognition of academic/athletic achievement
  - If applicable, list Specific Limitation number from policy, example 6.82_
- If completing a Blanket FO-19A Form, departments are responsible for keeping up with balances to ensure expenditures do not exceed approved amount on form.
Alcohol Beverage Policy
President’s Office Policy PRE-01

- Alcohol beverage purchases require President’s approval.
- Request should be initiated at least 15 business days in advance of the event.
- Alcohol Beverage Request Form available online - PerfectForm
- Alcohol for event must be served by a licensed caterer
  - Aramark is licensed
- Only gift funds may be used for alcohol.
Additional Procurement Info

• **Other University Policies to Note:**
  - Delegation of Authority - President’s Office Policy PRE-05
  - Gift Cards/Certificates & Honorarium Policy - President’s Office Policy PRE-24
  - Unmanned Aircraft Systems Policy (Drones) - President’s Office Policy PRE-27
  - Memberships – Chamber of Commerce - Finance & Operations Policy FO-11
  - Cell Phone Policy - Finance & Operations Policy FO-50
  - Direct Pay Policy - Finance & Operations Policy FO-63
  - University Advancement Printing Policy
Additional Procurement Info

• Additional Resources
  • Procurement & Business Services’ webpage has additional information available:
    • Purchasing Tips/FAQ
    • Specification Writing
    • Links to State Comptroller’s Website
    • Texas Department of Information Resources (DIR) Link
    • IT Products and Services
    • Group Cooperative Purchasing Links
    • How to Find HUB Vendors
    • List of Departmental Purchasers
Questions?