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I.
INTRODUCTION
INTRODUCTION

Welcome to Texas A&M University-Corpus Christi and the Purchasing Department. This booklet has been designed with an overview of the purchasing process. The primary function of these pages is to familiarize faculty & staff with the basic information necessary to communicate with the Purchasing Department. Purchasing Department is responsible for the purchasing of supplies, equipment and services necessary for the operation of the University.

As an agency of the State of Texas we are bound by the laws of the State of Texas. We subscribe to the Code of Ethics as outlined by the National Association of Educational Buyers and the State of Texas.

Communication is a key factor in the purchasing process. We want to do all we can to help you obtain your equipment, services and supplies as needed. Please feel free to call on us anytime you have questions or comments at 825-2617.

Judy Harral
Director of Purchasing and HUB Program
## BUYER ASSIGNMENTS

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## BUYER ASSIGNMENTS

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PHONE NUMBERS & E-MAIL ADDRESS

### Purchasing Staff

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<tr>
<th>Name</th>
<th>Position</th>
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<tbody>
<tr>
<td>Judy Harral</td>
<td>Director of Purchasing</td>
<td><a href="mailto:Judy.Harral@tamucc.edu">Judy.Harral@tamucc.edu</a></td>
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<td>361-825-2616</td>
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<tr>
<td>Minerva Garcia</td>
<td>HUB Coordinator</td>
<td><a href="mailto:Minnie.Garcia@tamucc.edu">Minnie.Garcia@tamucc.edu</a></td>
<td>361-825-2196</td>
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<tr>
<td>Lorie Messer</td>
<td>Contracts Manager</td>
<td><a href="mailto:Lori.Messer@tamucc.edu">Lori.Messer@tamucc.edu</a></td>
<td>361-825-2166</td>
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<tr>
<td>Carolyn Koski</td>
<td>Buyer</td>
<td><a href="mailto:Carolyn.Koski@tamucc.edu">Carolyn.Koski@tamucc.edu</a></td>
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<td>Ruben Gonzalez</td>
<td>Purchasing Specialist IV</td>
<td><a href="mailto:Ruben.Gonzalez@tamucc.edu">Ruben.Gonzalez@tamucc.edu</a></td>
<td>361-825-2777</td>
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<tr>
<td>Hilda Garza-Martinez</td>
<td>Purchasing Specialist IV</td>
<td><a href="mailto:Hilda.Garza@tamucc.edu">Hilda.Garza@tamucc.edu</a></td>
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<tr>
<td>Mary Jane Duarte</td>
<td>Admin. Assistant</td>
<td><a href="mailto:Mary.Duarte@tamucc.edu">Mary.Duarte@tamucc.edu</a></td>
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### Central Receiving Staff

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<td>Efrain Montelongo</td>
<td>Property Officer</td>
<td><a href="mailto:Efrain.Montelongo@tamucc.edu">Efrain.Montelongo@tamucc.edu</a></td>
<td>361-825-2251</td>
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<tr>
<td>Luis Fonseca</td>
<td>Warehouse Supervisor</td>
<td><a href="mailto:Luis.Fonseca@tamucc.edu">Luis.Fonseca@tamucc.edu</a></td>
<td>361-825-2094</td>
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<tr>
<td>Higinio Lerma</td>
<td>Receiving Specialist</td>
<td><a href="mailto:Higinio.Lerma@tamucc.edu">Higinio.Lerma@tamucc.edu</a></td>
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Department of Purchasing Services Website:

[http://falcon.tamucc.edu/~purchase](http://falcon.tamucc.edu/~purchase)
II.

TAMU-CC PURCHASING HANDBOOK
Texas A&M University-Corpus Christi
Policy & Procedure Handbook

DOLLAR GUIDELINE FOR ALL FUNDING ACCOUNTS

The following guidelines will be used when making purchases of goods and services.

A. \( \leq $5,000 \) Limited Purchase Orders (Delegated purchases to department)

1. Departments have received delegated authority to make purchases of equipment, supplies and services within specified $5,000 limits (including freight and postage) for both local and state accounts. This limited authority was delegated to allow departments to expedite the purchase of items needed immediately without having to prepare a purchase requisition.

2. No bids are required. Purchases can be initiated at the departmental level by entering information on Screen 240 via the purchasing module. Once the order has been entered, encumbered and approved electronically, the department must place the order directly to the vendor. The limited purchase orders do not print a hard copy of a purchase order but can be screen-printed from Screen 288.

3. The limited purchases do not go through the Purchasing Department; therefore the department is responsible for placing orders and resolving any discrepancies with the order. Upon receipt of goods or services, departments are responsible for receiving the order online in the purchasing module (Screen 321) in a timely manner.

4. Departments must enter the name of the vendor, phone number, person contacted, address, account number, object code description, unit price, and shipping terms. Departments must add a line item for freight with the following statement. For this line item, put the following statement “FREIGHT CHARGES ARE AUTHORIZED TO BE PAID FOR THE ACTUAL COST – ESTIMATE IS FOR ENCUMBRANCE PURPOSE ONLY.” Or you can put a line item that states “NO FREIGHT TO BE PAID” and put as no charge. When obtaining a vendor quote, department must ensure that the prices & terms of the purchase are accurate. Department must verify, when utilizing vendor catalogs, it is an updated one to ensure it matches invoices.

5. Departments also have the option of submitting orders under $5,000 through the purchasing department if they choose not to place the order themselves and prefer to have a hard copy of the purchase order. The requisition for this process is Screen 250 in the purchasing module.

6. Departments are highly encouraged to purchase equipment and supplies
within their purchasing authority from Historically Underutilized Businesses (HUB’s). HUB vendors may be located at the following website: http://www.window.state.tx.us/procurement/prog/cmbl/ or on the TAMU-CC HUB website: http://falcon.tamucc.edu/~finserv/hub/hubvendors.pdf. To verify if a company is HUB certified, you can go to Screen 174. Vendor will be on this screen if HUB certified.

7. Departments may not exceed the authorized delegated limit. Purchases may not be broken down into small purchases in order to meet the authorized limit of authority. Golf cart purchases must be submitted through the Purchasing Department. Office supplies must be purchased through the awarded vendor. Delegation of purchase authority will be withdrawn for intentional misuse.

8. Departments using the Standard TAMU-CC Contract/ Agreement Form reference Appendix pages 110-112 and Twenty Factor Test, reference Appendix pages 113-114, have authority to sign up to $5,000 without requiring the signature of the Director of Purchasing. For contracts/agreements that do not involve monetary value, use the “TAMU-CC Contract/Agreement Transmittal Form” located on the purchasing web page under Online Forms http://falcon.tamucc.edu/%7Epurchase/. Note this form is not required if contract is submitted on requisition or limited order.

9. Adherence to ethical standards as per ethics policy 07.01. Employees of departments who perform purchasing functions under delegated authority shall adhere to the same ethical standards required of the Purchasing Department employees, and shall avoid all conflict of interest in their purchasing activities.

10. Withdrawal of delegated purchase authority guideline. The Purchasing Department will verify compliance with established procedures for delegated purchases and may withdraw delegated purchase authority in whole or in part from a department for continued violations. When a purchase is made outside of normal purchasing procedures (which means goods or services were purchased before funds were encumbered and appropriated in the Famis Module), the person placing the order will submit a memo or e-mail, accompanied by the invoice and voucher preparation form, to the Director of Purchasing and/or Associate Director of Purchasing, indicating why the purchase did not comply with purchasing procedures. The Director or Associate Director will then approve and/or decline the processing for payment.
Texas A&M University-Corpus Christi  
Policy & Procedure Handbook

11. When a departmental places an order before this process, it is called an “After the Fact” purchase and is considered a purchase procedure violation; refer to section “After the Fact Purchasing” for detailed policy.  
   (a). Based on the review of the documents, the Purchasing Department may revoke any delegation as deemed necessary.  
   (b) All delegated departmental purchases are subject to an audit by the internal and State Auditors.

B. $5,000.01 to $25,000 (INFORMAL)

1. The requisitioning department is authorized to obtain three bids if desired. Otherwise the Purchasing Department will solicit the bid. The requisitioning department must submit proper documentation that includes full address, telephone number, and price per item, extended price, delivery information and the full name of person providing the quotation. If the quotation is written, a company representative must sign it.

2. The Purchasing Department must attempt at least three informal bids, two of which must be obtained from certified Historically Underutilized Businesses.

3. Facsimile (FAX) responses may be submitted to the FAX number provided in the solicitation for procurements less than $25,000, unless otherwise stated in the solicitation. All FAX responses must be signed in space provided in the solicitation. TAMU-CC will not be responsible for failure of electronic equipment or operator error. Responses that are late, illegible, incomplete, or otherwise non-responsive will not be considered.

C. $25,000.01 ≥ (FORMAL)

1. Solicitation of formal written bids is required unless a proprietary justification accompanies the requisition. Proprietary (sole source) bids must be fully justifiable and documented.

2. The Purchasing department processes solicitations of formal written Invitations for Bid, which is required when the cost exceeds $25,000. Formal bids are required as a written bid submitted in a sealed envelope in accordance with a prescribed format. Fax responses will not be considered unless otherwise stated in the solicitation. All FAX responses must be signed in space provided in the solicitation. TAMU-CC will not be responsible for failure of electronic equipment or operator error. Responses that are late,
illegible, incomplete, or otherwise non-responsive will not be considered. Department's are not authorized to obtain quotations from companies for a formal written Invitation to Bid. A minimum of 10 working days is required to allow vendors to submit an invitation for bid. In the best interest of the University, we can modify the timeframe.

3. Detailed specifications are required to procure items. If the department needs help in obtaining specifications, the purchasing department should be contacted before making any contact with the vendor.

4. Online requisitions shall be submitted to the Purchasing Department far enough in advance to allow sufficient time for preparing and advertising bid invitations, receiving and evaluating bids, awarding contracts and permitting a normal delivery schedule.

5. The purchasing department must attempt at least three formal bids, two of which must be obtained from certified Historically Underutilized Businesses.

6. The Purchasing Department will normally specify delivery times that are standard in the industry. If a department requires a shorter than standard delivery times, it must state the requirement in its requisition. If the delivery requirement can only be met by one vendor, written justification will be required. If a department does not require early delivery but wishes to take advantage of it if available, the bid invitation will state that the ability to make early delivery may be a factor in making the award. In such cases, when it is to the university’s advantage, the Purchasing Department may accept a bid other than the lowest after consulting with the department. If the bid invitation contains no statement regarding early delivery, the Purchasing Department may not consider early delivery in making an award.

7. Bids are no longer required to be posted on the Electronic State Business Daily http://esbd.cpa.state.tx.us/. However, if it is determined to be in the best interest of the university, the Purchasing Department may elect to post the bid for the 14 or 21 days.
Requisition Signature Authorization Levels

A. Departments are required to submit a signature authority form to the Fiscal Office for who is authorized to approve documents in the purchasing module. All requisitions submitted must have the Authorized Signature Form on file in the Fiscal Office and also must be programmed electronically in the purchasing module for electronic routing approval of requisitions. In addition the signatures are required as stated for the following money amounts:

1. Up to $10,000 - approval by account manager or designee and Dean/Director, if requested

2. $10,000-$24,999 - Appropriate Vice President

3. $25,000-$199,999 - Appropriate Vice President and Executive Vice President for Finance & Administration.

4. $200,000 and above - President’s signature required.

5. The approval of the Executive Vice President for Finance Administration is required on all requisitions for motorized vehicles (including golf carts and boats). Departments are not authorized to place orders for golf carts using Limited Purchase Orders. All of these must be submitted on a requisition and processed by the Purchasing Department.

6. All grant accounts, regardless of the money amount, are routed & approved by the Grant Education & Research Administration Office. Approval from Provost or Executive Vice President of Finance & Administration is required if over $100,000.00
After the Fact Purchasing

Non-Compliance Policy

In accordance with University guidelines, all purchases must be encumbered and approved within the FAMIS purchasing module prior to placing order for goods and services. Procedures require issuance of a purchase order prior to the purchase of goods or services from outside vendors except when using a P-Card.

When a department places an order before this process, it is called an “After the Fact” (ATF) purchase and is considered a purchase procedure violation, which must be submitted on voucher create with an “ATF” memo for justification of event along with steps taken to avoid in future purchases. All ATF, regardless of the dollar amount, presents problems for the Purchasing Department, Accounts Payable, vendors and end-users. In many cases, these transactions create unnecessary administrative effort, bypass State of Texas encumbrance requirements and violate procurement rules and procedures.

Definition

An ATF purchase typically occurs when the department makes a purchase with a vendor without an authorized purchase order number, either an “L” when $5,000 or under or a “P” if over $5,000. For example, authorizing a vendor to begin work before the purchasing department issues a purchase order even though the department has submitted a purchase requisition in FAMIS is an ATF. Another example is when a department creates a limited purchase order and uses an invoice as a packing slip which means the goods are already on campus or services already performed or place an order before it is routed & approved by department head or designee.
Purchase Violations

Failure by an employee to follow the University procedures constitutes a purchase procedure violation and would be classified by internal system auditor as a “finding” to the University. Departments submitting a purchase requisition, limited purchase order, or voucher create to Purchasing Office for a good or service already ordered or received by the requesting department will be subject to the following administrative actions.

6.1 First violation

The Purchasing Department will send an e-mail to the individual who signed the Purchase Requisition or voucher create with a copy to the department head (if different than the signer). The ATF form (see appendix page 117) will review the proper procurement procedures and the department must fill out this form. Additionally, the purchasing department has the option of sending a letter to the vendor reminding them of the University’s requirement of a Purchase Order for delivery of goods and services. To enable the vendor to be paid, the department must fill out the ATF justification form.

The department shall return the complete ATF form to Director of Purchasing or their designee for review, approval or will request the additional steps or actions. Upon receipt of this ATF memo justification, purchasing will authorize Accounts Payable to process the non-compliant purchase order or voucher creates. Please be advised that Purchasing will be keeping a log/file of all such non-compliant purchasing requisitions and that continuation of such non-compliance may result in a limitation of purchasing capabilities.

6.2 Additional violation

If the purchasing department determines that department/employee has excessive violation within the fiscal year, they may be required to submit a memorandum to the Associate Vice President for Finance and Administration explaining why the proper procurement procedures were not followed. Based upon the justification provide, the Associate Vice President for Finance and Administration will take action(s) deemed appropriate for the infraction. Possible actions include the following:

a. Require attendance of Purchasing 101 Policy and Procedure Workshop
b. Require employee to be personally responsible for payment of goods/services to vendor
   c. Revoke delegated purchasing authority
PURCHASING SOURCES
A. There are essentially two sources from which needed goods and services might be secured:
   (1) From on-campus sources such as Printing Services, the Bookstore, University Maintenance, Computer Services, Postal Services, Food Services or
   (2) Off-campus sources such as the competitive bidding, request for proposal, catalog purchasing, and alternate methods to specific application of goods and services purchased.

B. Only if it is determined that the supplies cannot be provided by on-campus sources, will commercial vendors be used as a source of supply. It is important to note that state appropriated funds cannot be used to purchase goods or services from the Food Services.

CANCELLATION OF PURCHASE ORDER OR RETURN OF PURCHASES
A. Requests for cancellation, deletion, or modification of any purchase order must be made to the Purchasing Office in writing with explanation. Supplies or equipment to be returned to a vendor or contractor for adjustment or credit must be cleared through the Purchasing Office prior to the initiation of any return shipment, or the amendment of an existing order if purchase order begins with a P. and is over $5,000. Return on limited purchase orders (screen 240) is the department's responsibility.

B. The buyer will cancel or modify the purchase order online and will reprint the purchase order if required. The voided/canceled purchase order will be documented and filed in a fiscal year canceled purchase order file folder.

C. Damages for failure to perform.
   (1) A vendor who fails to perform as required under a contract shall be liable for actual damages and costs incurred by the university.
   (2) If any merchandise delivered under a contract has been used or consumed by a department and upon testing is found not to comply with specifications, no payment may be approved by the university for such merchandise until the amount of actual damages incurred has been determined.
   (3) A vendor who fails to pay damages assessed by the university may not be awarded additional contracts until such damages have been paid or the matter has been otherwise resolved.
VI. AUTHORITY TO OBLIGATE FUNDS

A. The Director of Purchasing, Associate Director of Purchasing, Buyers, the Executive Vice President for Finance and Administration, and the President are the only officials of the University authorized to obligate the funds of the University for the purchase of supplies, equipment, and services over $5,000.

B. The University will not assume liability for the payment of obligations incurred by any other employees or officials of the University, unless authorized in writing in advance by one of the above officials.

C. No employees are authorized to sign contracts for the university, except the authorized TAMU-CC Contract/Agreement for up to $5,000.00 which can be found on the Purchasing web page http://falcon.tamucc.edu/%7Epurchase/ under Online Forms or in Appendix pages 110-112.
THE PERSONAL USE OF UNIVERSITY CONTRACTS AND VENDORS

Law prohibits the University from the purchase of goods or services for the personal use of any employee. The only purpose for which the University may expend its funds is for the benefit and support of the University, and its mandated purposes. Law prohibits the University from paying for individual memberships in scientific or other societies, or to pay for subscriptions to professional magazines for the personal benefit of an employee. The University is prohibited from paying for entertainment expenses, including food and/or drinks, with State funds.

State resources cannot be used to receive or deliver personal packages. When placing personal orders, do not use central receiving address or departmental physical address TAMU-CC cannot be liable for any loss or damage incurred.

PROPRIETARY/ SOLE SOURCE JUSTIFICATION

A proprietary product or service has a distinctive characteristic that is not shared by competing products or services when the specification limits consideration to one manufacturer, one product, or one service provider. You must include a written proprietary letter with Requisitions. Proprietary justification is not needed for purchases of $5,000 or less. This information can be entered electronically in FAMIS on screen 253.

A. What is the unique feature and why is this unique feature needed for your application?

B. Why will competing products not be satisfactory?

The first question should be answered in functional terms. Indicate why the dimensions or performance characteristics are essential. An explanation of the need for the specification, i.e., which part or parts of the stated specification restricts the requisition to one manufacturer or provider. The answer to the second question should indicate specifically the particular requirement of the specification where other known products or services do not comply.

Delays in handling can be avoided if these justifications are sent with the requisition. For more information call your buyer as listed.

This requirement applies to both state and local accounts.

NOTE: Reference Appendix page 108 for form to be used.
EMERGENCY PURCHASES AND JUSTIFICATION

Emergencies occur as the result of unforeseeable circumstances and may require an immediate response to advert an actual or potential public threat. If a situation arises in which compliance with normal procurement practice is impracticable or contrary to the public interest an emergency purchase may be warranted to prevent a hazard to life, health, safety, welfare, property or to avoid undue additional cost to the state.

Notwithstanding the immediate nature of an emergency all procurements conducted as emergencies should be made as competitive as possible under the circumstances. If an emergency exists a written determination of the basis for the emergency and for the selection of a particular vendor shall be included in the procurement file in accordance with this section. Emergency purchases of goods or services should not exceed the scope or duration of the emergency.

The Purchasing Department will approve an emergency purchase in accordance with the following provisions:

- At least three informal bids are encouraged whenever possible on all emergency purchases. An award should be made based on best value, considering the type of emergency.

**Justification Requirements**

Emergency purchases require a letter of justification documenting the emergency which must be signed by the purchasing director or an authorized representative, and at a minimum address the following:

- The nature of the emergency purchase (hazard to life, health, safety, welfare, or property or to avoid undue additional cost to the state), and what caused the emergency situation; and

- The estimated impact or damage either financial or otherwise that will occur by following normal procurement practices (general statements of loss or nominal damage are not acceptable).

The departments shall contact the Purchasing Department for advice and assistance in the handling of emergency purchases. The Purchasing Department may not approve an emergency purchase unless the department as complied with the above requirements.

**NOTE:** Reference Appendix page 109 for form to be used.
RESEARCH

The Purchasing Department will bid and award these purchases consistent with University and state procedures.

DIRECT PUBLICATIONS

This delegation does not include any item which could reasonably be expected to be bid. An example of an item which may be competitively bid would be subscription services. While certain publications may only be available from the publisher, a service which manages subscriptions to various publications could be competitively bid. Examples of direct publications that are not expected to be bid include, but are not limited to, the following:

- direct subscriptions;
- electronic data service directly from the publisher (not to be confused with on-line information services such as CompuServe, America On-line, etc., which are not direct publications);
- foreign publications;
- back issues of magazines, journals, and newspapers;
- publications of professional societies;
- prepared videos (as opposed to blank videos), films, audio tapes, laser discs, and CD ROM discs;
- computer software which is not available under the Catalogue Purchase Procedures for A.I.S.
- collections of any of the foregoing items, and microfilm or microfiche copies; and
- Library of Congress cards.

All payments for direct publication, regardless of dollar amount require the following statement:

"Not available through any other source.

GIFT ACCOUNTS"

Gift accounts are processed the same as local funds, unless the donor specifies a vendor or sole source.

FEDERAL FUNDS

Purchases utilizing Federal Funds must be made in accordance with provisions of grant or contract. All federal and state guidelines are followed in the procurement of goods and services. Federal funds may utilize State Contract, State Catalogue procedures, and General Service Administration contracts.
GRANTS
Purchases utilizing grants must be made in accordance with provisions of grant or when using a contract. When using grant accounts approval is required if:

1. Under 50,000 Director of Purchasing can sign and review without TAMU Legal review, grant's office personnel will review and approve in FAMIS.

2. Over 50,000 TAMU Legal must review (waived if using a legal approved contract form), grants office will verify that goods or services are allowed in grant and will approve in FAMIS. Dr. Harvey Knull and Director of Purchasing will sign the contract.

3. $100,000 or over will require the signature of the Executive VP of Finance and Administration

PRE-APPROVAL REQUIRED FOR EQUIPMENT/SUPPLIES/SERVICES BY PHYSICAL PLANT

Equipment/Supplies Requiring Installation/Modification of Facility
Requisitions for equipment that requires installation/modification of existing facilities is submitted to Physical Plant prior to being sent to Purchasing Department. Physical Plant reviews and notifies department of any additional requirements that will be needed. These are incorporated into the requisition and then sent to the purchasing department. If a Physical Plant work request to modify the facility is needed, the using department is notified.

Modification, Construction and Renovation
Modification, construction and renovation of existing building and grounds must be approved by Physical Plant. Requisitions will not be processed by the Purchasing Department without written approval of Physical Plant by a Building Modification Form. Refer to Appendix page 102-103 for this form.

Hand Held Radios, Security Radios
All requests are submitted to Telecommunications and Physical Plant for review prior to submitting by Purchasing Services. Due to security and the limited frequencies available and the necessity to identify program frequencies for each radio, the Telecommunications Department reviews all radio purchases.

Portable Building
Portable Building must be approved prior to purchase by the Director of Physical Plant.

Door Access
Purchases involving locking mechanisms, door access control components, and/or security camera systems must be submitted through the “Door Access Committee” which will eliminate multiple security related systems.
Taxpayer/Vendor Hold

TAMU-CC utilizes FAMIS (Financial Accounting Management Information System) which is designed for use by The Texas A&M University System. This electronic system downloads Taxpayer/Vendor information from the Texas State Comptroller’s file nightly. FAMIS has incorporated into the Accounting and Purchasing Modules a feature that will not allow an award or payment to be made to a vendor not in good standing unless specifically allowed by an override. Department can go to Screen 171 on the FAMIS Module to view vendors on state hold.

TAMU-CC will utilize FAMIS for complying with the comptroller’s taxpayer verification process. If the vendor is not found in FAMIS then the comptroller’s web site will be used for verification – http://ecpa.cpa.state.tx.us/vendor/tpsearch1.html.

TAMU-CC will only have to verify whether or not a vendor is on warrant hold with the Comptroller’s office to be able to enter into a contract with them. If the written contract specifies that contract payments must be made through the Comptroller’s issuance of warrants or initiation of electronic funds transfers or local funds, you do not have to verify warrant hold status.

If vendor is on warrant hold, you may still enter into a contract with them if the vendor agrees in a contract that payments made by the state agency will be applied toward their dept or delinquency, regardless of when it arises. (state or local funds are able to do)
SPECIALIZED PURCHASING
AND EXEMPT PURCHASES
INSTITUTIONAL MEMBERSHIPS

Institutional Memberships – Requires approval by the President of the University or an approved designee.

Institutional Memberships must be in the name of the university and not in that of an individual. A list of approved memberships can be found at the purchasing website address http://falcon.tamucc.edu/%7Epurchase/ under Organizational Membership List.

If you are trying to process a new organizational membership for President’s approval, you must submit the following in order to process the request:

A memo signed by the both the Dean and the Vice President overseeing the Department. The memo must state the following:

- public purpose that will be served by the obtaining the membership
- how the membership relates to the specific statutory duties of your department
- what consequences or impact will the university have if the membership is not approved

TERM CONTRACTS (STATE CONTRACTS)

The Texas Procurement and Support Services (TPASS) enters into term contracts for the purchase or lease of items used in large quantities by several state agencies and institutions of higher education. The term of a contract is determined by the Commission.

TAMU-CC may utilize state term contracts when it is determined to be the best interest of the university. Factors such as quality, delivery time, and price will be considered in determining best interest.

TXMAS CONTRACTS (Texas Multiple Award Schedule Contracts)

Process for buying commercial items and services. They capitalize on prices associated with volume buying. Federal Multiple Award Schedules satisfy requirements for full and open competition. Ordering procedures allow for Best Value purchasing decisions.

COMPUTERS, SOFTWARE AND SOFTWARE LICENSE

Acquisition of Information Resources Technologies
Software License Agreements (regardless of dollar value), must be submitted to Purchasing Department. License Agreements are reviewed by General Counsel (TAMU System) when over $50,000 and signed by the Director of Purchasing.
GROUP PURCHASING PROGRAM
TAMU-CC may purchase material, supplies, or equipment through group purchasing programs (Cooperatives, Alliances, etc.) These types of purchases have already been bid and awarded and do not require any additional bidding process.

FLOWERS, FLORAL ARRANGEMENTS, AND PLANTS
The University may not use state funds to purchase flowers, floral arrangements, or decorative plants for a state officer or employee or for the friends or family of a state officer or employee. Local accounts may purchase flowers and plants, upon advanced approval from the account responsible with adequate documentation.

Purchases from state funds are limited to vegetation, dirt, potting soil, fertilizer, seeds, and plants needed for erosion prevention, research, teaching, or agriculture.

FOOD PURCHASES
The use of state funds for the purchase of food is very limited. State funds cannot be used for the purchase of coffee or related items for consumption by employees or departmental visitors. State funds can, however, be used to pay for food purchases related to research or teaching. Refer to System Policy 25.02 – Purchase of Food and Refreshment.

Expenditures for food and/or refreshments from local funds are authorized to the extent such expenditures enable the state agency to carry out an educational function, promote education in the State of Texas, or perform public service. The receipt must document the purpose and who attended. Gratuity can only be paid by using discretionary accounts.

Expenditures of university funds for meals off-campus with a majority of co-workers are not normally appropriate except for business functions, which require approval by the appropriate Vice President and approval should be in advance. This approval must be documented with submissions for reimbursements.

Expenditures of university funds for meals with spouses is not normally appropriate except for special functions and occasions that require their attendance to conduct business. Approval of the appropriate Vice President should be received in advance. This approval must be documented with submissions for reimbursements.

As a public institution, we need to ensure that we are good stewards of our resources. A good rule of thumb is to consider if you would be comfortable explaining an expenditure to a newspaper.

Expenditures for food and/or refreshments must comply with one or more of the following
purposes:
- The recognition or promotion of academic achievement, athletic achievement, scholarship and/or service to a Member of the A&M System or the State;
- The promotion of the communication of intellectual ideas among students, faculty, staff, administrators and/or representatives of the public;
- The support of student events and activities that are sponsored by a Member of the A&M System;
- The recruitment of students, faculty, and staff;
- The promotion of the exchange of ideas with community leaders regarding the role of a Member of the A&M System in the community;
- The assistance of the Regents, accrediting agencies, officials from other universities and/or public officials in inspecting and reviewing the facilities and programs of a Member of the A&M System; or
- The support of a program of continuing education sponsored by a Member of the A&M System.

Texas A&M University- Corpus Christi
Allowable Accounts for Food Related Expenditures

<table>
<thead>
<tr>
<th>EXPENSE TYPE</th>
<th>STATE ACCOUNT</th>
<th>IDC ACCOUNT (225xxx)</th>
<th>LOCAL ACCOUNT Non-1xxxxx Non-225xxx</th>
<th>GIFT ACCOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALCOHOL</td>
<td>NO</td>
<td>NO</td>
<td>YES a b</td>
<td>YES b</td>
</tr>
<tr>
<td>BUSINESS MEALS Non-University Employees</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>BUSINESS MEALS- only University Employees in attendance</td>
<td>NO</td>
<td>NO</td>
<td>YES with VP approval</td>
<td>YES with VP approval</td>
</tr>
<tr>
<td>Food for consumption on campus</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Food OR Alcohol Products actually used in a research project; e.g. study on the effects of alcohol in the body</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Purchase of table for Non-University function; e.g. Chamber of Commerce Luncheon</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td>Purchase of table for University function or function at which University is honored or directly receiving benefit; e.g. President’s Ball, State of University Lunch</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>TIPS- Gratuity automatically added on receipt by establishment</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>TIPS- Manually written on receipt</td>
<td>NO</td>
<td>NO</td>
<td>YES a</td>
<td>YES</td>
</tr>
</tbody>
</table>

Accounts funded with the following student fees cannot be used to purchase food or alcohol: Library fee, Health Services fee, Computer use fee, Materials fee, Field Trip fee, Distance Learning fee, Academic Advising fee, Energy Conservation fee, Student Center fee, Student Services fee, ID Card fee, Rec. Sports fee.
b. Athletic accounts cannot be used to purchase alcohol or alcoholic beverages regardless of the fund source.

**RENTALS OF MACHINES AND EQUIPMENT**

A. Rentals

Purchasing procedures require that any rental involving the use of funds must be handled through Purchasing Department prior to the date of required use and on an annual basis. On rentals equal to or greater than $5,000.00 for the entire rental period, submit requisition to Purchasing Services.

In the case of a long-term rental, the total anticipated rental amount will be the criteria for the type of handling. For example, if a department wanted to rent a copier from an outside vendor at $500.00 a month for only a month, a requisition through the purchasing department would not be necessary unless a contract needed to be signed. On the other hand, if the anticipated rental period total exceeds $5,000.00 a requisition would be required.

B. Start Date

New lease or rental contracts, maintenance agreements, or various other term-oriented service contracts may be written to have an effective start date at any time during a fiscal year. However, the contract must be written to expire on the last day of the fiscal year within which it is effective, with renewals written to coincide with the beginning of the new fiscal year on September 1st. Contracts and agreements shall be processed, reviewed and executed by the Purchasing Office, departments do not have the authority to sign a contract.

**PURCHASE OF USED OR DEMO EQUIPMENT**

Should it become necessary for a department to secure used or demonstrator equipment or supplies due to inability to secure new equipment, or because of lack of adequate funds or used equipment will satisfy the agency’s need at a substantial savings. The following documents and data must be provided:

1. Properly prepared requisition fully describing equipment.
2. Signed bid or bids secure by agency, (min. 3) or reason why 3 bids could not be obtained.
3. If only one bid is available, statement as to why no competition.
(4) Letter or signed statement from bidder or bidders guaranteeing quality and condition of merchandise offered.
(5) Letter from authorized person connected with the University giving acceptable reasons why it is necessary to purchase used merchandise and the approximate cost of same if purchased new.

(6) Letter from an authorized, responsible person connected with the university stating that he/she has personally examined equipment or supplies, and giving his/her opinion as to condition and value.

**TRADE-INS**

A department may offer surplus or salvage property as a trade-in on new property of the same general type when such exchange is in the best interests of the state.

Equipment may be purchased with a trade-in of equipment of a similar type of equipment if the following requirements are satisfied:

- Describe the age, condition, make, model, and serial number (if applicable) of the equipment;

- Give a realistic estimate of the used equipment's value;

- Show each trade-in allowance as an individual item on your requisition.

If not used as a trade-in, the equipment must be disposed of as surplus or salvage property. Since the department may profit more from the sale of old equipment as surplus property than as a trade-in, the estimate of the equipment's value is extremely important.

**LEASE PURCHASES OR INSTALLMENT PAYMENT PURCHASE**

Request for all lease purchases or installment payment purchases must be submitted to Purchasing Department. Purchasing will assist departments in developing lease purchase specifications and determine lease purchase options available.

If a proposed lease or lease-purchase is for information technologies resources, as defined in Texas Government Code, Chapter 2054, the requisition must include written evidence that the Department of Information Resources has approved the university's Biennial Operating Plan. The Purchasing Department will determine the cost effectiveness of a lease or lease-purchase. To establish cost effectiveness, the requisitioning department should submit the following information:
All lease-purchases or installment payment purchases in excess of $1,000,000.00 or having a stated term of longer than five years, are subject to review by the Texas Bond Review Board (Article 717k-7, Sections 181.1 through 181.10 (V.T.C.S.). Requisitions for such purchases shall be submitted through the Purchasing Services Department.

CAUTION: All lease contracts regardless of dollar limits must be Reviewed by the Purchasing Director and signed by Appropriate authority.

LEASE OF SPACE

All lease of space requirements for Texas A&M University-Corpus Christi must be submitted to the Department of Purchasing. Procedures for processing lease of space requirements is dependent on the type of funds used. All lease space contracts must be submitted to TAMU System General Counsel for review and approval.
Exempt Purchases

Due to the nature of the purchase, certain goods and services cannot be competitively bid. Below is a list of goods and services the TAMU-CC will exempt from competitive bid process, and a FAMIS Exempt Table (Screen 306) can also be found on-line.

<table>
<thead>
<tr>
<th>Low Obj</th>
<th>High Obj</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5641</td>
<td>5641</td>
<td>ADVERTISING – bill boards, newspaper, classified, inserts, Radio/TV, trade publications, HUB publications</td>
</tr>
<tr>
<td>5211</td>
<td>5213</td>
<td>INSTITUTIONAL MEMBERSHIPS/ PROFESSIONAL-Approved by President</td>
</tr>
<tr>
<td>5230</td>
<td>5230</td>
<td>AUTOMOBILE STATE SAFETY INSPECTION FEES (Only CERTAIN ITEMS ARE EXEMPT)</td>
</tr>
<tr>
<td>5233</td>
<td>5233</td>
<td>DEMURRAGE/Gas Cylinder use/rental</td>
</tr>
<tr>
<td>Vary</td>
<td>Vary</td>
<td>CONFERENCE EXPENSE: expenses related to conference room services such as hotels, audio/visual, network and food services</td>
</tr>
<tr>
<td>5617</td>
<td>5617</td>
<td>DIRECT PUBLICATIONS - publications, trade periodicals, magazines, downloads of data, reports, subscriptions from the publisher only (not from bookstores or another reseller)</td>
</tr>
<tr>
<td>5410</td>
<td>5410</td>
<td>EDUCATIONAL/TRAINING SERVICES</td>
</tr>
<tr>
<td>1925</td>
<td>1925</td>
<td>EMPLOYEE MOVING EXPENSES</td>
</tr>
<tr>
<td>5870</td>
<td>5870</td>
<td>EXHIBIT SPACE, DISPLAY BOOTH RENTAL</td>
</tr>
<tr>
<td>5650</td>
<td>5650</td>
<td>FREIGHT/ DELIVERY SERVICES</td>
</tr>
<tr>
<td>5470</td>
<td>5471</td>
<td>INTER/INTRA AGENCY AGREEMENTS - Services provided by other State of Texas agencies or by other local governments.</td>
</tr>
<tr>
<td>5510</td>
<td>5545</td>
<td>INTERNAL REPAIRS, parts and labor combined, or just labor. Cannot be parts only using these object codes</td>
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<td>LECTURERS- Lecturers/Guest Speakers:fees for speakers/lecturers hired on a one-time basis (does not include fees for speakers/lecturers on a continuous basis).</td>
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</tr>
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<td>Vary</td>
<td>Vary</td>
<td>Goods and services provided by the Texas Industries for the Blind and Handicapped (TIBH).</td>
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<td>RENTAL OF COMPUTER EQUIPMENT (CONFERENCE)</td>
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<td>RENTAL OF VIDEO EQUIPMENT (CONFERENCE)</td>
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Exempt Purchases –continued

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<tr>
<td>6366</td>
<td>6374</td>
<td>PARTICIPANTS COSTS</td>
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</table>
PETTY CASH PURCHASES

Although other methods are in place to handle small purchases, some miscellaneous purchases may be necessary using the University petty cash located at the Bursar cashier office. University petty cash may be used for purchases up to $500. The Comptroller or Purchasing Director must approve reimbursement over a $500. For reimbursement, departments are to prepare petty cash vouchers to the Bursar/cashiers with original itemized receipts and valid FAMIS account numbers listed. The University is exempt from paying sales tax. A tax exemption form may be obtained from the purchasing department. Tax cannot be reimbursed from state accounts. Membership dues cannot be reimbursed from petty cash.

In some cases advance of cash is needed when cost is not set until purchase is completed. Advances are allowed up to $50 and receipts must be returned within 24 hours. Failure to do this will result in loss of future petty cash use. All advances greater than $50 require Comptroller or Director of Purchasing approval.

PETTY CASH PROCEDURES

The following are not allowed on petty cash reimbursement form:

1. Professional memberships.
2. Student stipends or scholarships.
3. Purchases greater than $500 unless approved by the Director of Purchasing or Comptroller.
4. Services or consulting by an individual. These require review of 20 factor test, etc. Any exceptions will require approval from the Director of Purchasing or the Comptroller.
5. Travel expenses – employee or student.
6. Conference or registration fees.
7. Computer software or computers.
8. Food consumption or business meals on state account (numbers 1xxxxx) or on indirect cost recovery accounts (numbers 225XXX).
9. Business meals (restaurant) that are missing the attendees and purpose of meeting.
10. Business meals (staff only) that is missing Vice President’s approval.
11. Food purchases (non-restaurant) that are missing the department’s name and purpose.
12. Sales tax on state accounts or indirect cost recovery account.
13. Wages or salaries.
14. Birthday, wedding, baby shower food and refreshments. These are not a legitimate business expense.
15. Moving expenses. This must be on a voucher create form and sent to Accounts Payable Department for payment.
16. Gasoline purchases, unless for a University fleet vehicle, machinery or classroom use.
17. Mileage reimbursements (this is travel).
18. No alcohol or flowers on state account or indirect cost recovery account.
19. No voluntary tips unless on a gift or discretionary account.

GENERAL

Petty cash is intended to assist departments in procurement for emergency needs. For example, when a local vendor will not accept a P.O., FAMIS is down or personnel are off-campus with no access to FAMIS. Every effort should be made to use procurement credit card before using petty cash. The alternative is to get a check issued to the vendor as prepaid expense. For more information on procurement card or getting a check issued, contact the Director of Purchasing. Using personal funds does not exempt the purchaser from all procurement procedures.

FORMS AND SIGNATURES

1. Petty cash reimbursement form must be completed correctly with all necessary information.
2. Account names and amount totals for account distribution are required on all forms.
3. Form must be approved by the account responsible manager. (Recipient and Manager cannot be the same person). In this case, signature will be Account Manager’s supervisor.
4. Individual must sign for receipt of funds and must be the authorized person on the form to accept the funds.
5. Reimbursement to the account manager requires their supervisor to approve the payment.

PETTY CASH PURCHASES

Valid receipts required are:
1. Original receipts from a vendor. Receipt should not be in TAMU-CC’s name. If it is, payment method should be clearly stated and balance due should be zero.
   NOTE: Photocopy receipts are not acceptable unless accompanied by a statement certifying where the original receipt resides.
2. Credit card receipt is acceptable for business meals without an itemized meal receipt.
3. Credit card receipt without a name will not be reimbursed until credit card number is confirmed to be the individual’s own card. A written statement from the individual confirming card ownership is acceptable.
4. Certified memo and proof of payment is required for all lost receipts, e.g., additional proof of payment such as canceled check or credit card statement showing individual’s name would be appreciated.
5. Web page receipt that contains product or service price and acknowledges order and payment is an acceptable receipt.

ADVANCE TO MAKE PURCHASES
Advancement of funds for purchases is acceptable provided:

1. Request in excess of $50 has approval from the Director of Purchasing or the Comptroller.
2. Receipts are returned to the Business Office the next business day.
3. Return of unused funds accompany the receipts.

OTHER USES OF PETTY CASH REQUIREMENTS

1. Reimbursement of student personal emergency loans should be accompanied by a memo from the Dean of Student’s office.
2. Reimbursement of student athlete host money should have a copy of official recruiting visit form attached.
3. Receipt for parking at the airport to conduct delivery of “another” person (visitor, etc.) is allowed to be reimbursed on petty cash form.
PROCUREMENT CREDIT CARD

The J.P. Chase Morgan MasterCard is issued directly to employees for their use in department purchases for $5,000 per transaction and under. The card allows departments to make small purchases quickly and with less paperwork than through the use of delegated limited purchase orders. The card may be used for Official University business and only in accordance with University procurement credit card policy and procedure. To obtain a card, you must complete an application and attend an orientation session.

For more information on this process, refer to the Purchasing Department’s web page located at http://falcon.tamucc.edu/%7Epurchase/BankOnePurchasingCardGuide.pdf, or call the University P-card Coordinator at, Ext. 2777.
PURCHASE OF SERVICES

The furnishing of skilled or unskilled labor or professional work but does not include professional services covered by the Professional Services Procurement Act, services of an employee of a state agency, consulting services or services by a private consultant as defined by Chapter 454, Acts of the 65th Legislature, Regular Sessions, 1977, and services of public utilities. Rentals are not considered service unless operator is furnished with equipment. Rentals without an operator are handled as any other purchase of equipment.

STATE & LOCAL FUNDS

If the cost is $5,000.00 or less, bids are not required and a limited purchase order may be used. For any purchase of services which exceed $5,000.00 per year these rules require competitive bidding, or justification explaining why the service is needed and why it cannot be obtained competitively from more than one source. A bid/quote must be obtained from the sole source if the cost exceeds $5,000.00 per year.
EQUIPMENT MAINTENANCE/SERVICE AGREEMENTS

Requisitions must be submitted to the Purchasing Department for maintenance/service agreements:

A. When fund orders will exceed $5,000.00 per year.

Requisitions must include the following information and attachments:

A. Period of time for coverage
   (September 1, XXXX through August 31, XXXX)
B. Make and/or model number of equipment.
C. Serial number.
D. Location of equipment.
E. Department contact and phone number.
F. Copy of vendor's proposed Maintenance Agreement if available. (Do Not Sign). Only the Purchasing Director or designee has authority to execute.
G. If sole source, complete the "Justification for Sole Source Purchases" form and attach to your requisition. (See Appendix page 108)

Payment can only be approved for maintenance/service agreements if the following criteria has been met:

A. Needs occur during current fiscal year. (September through August). Funds cannot be obligated except for fiscal year. Vendors must pro-rate charges to meet this requirement, unless the maintenance is purchased with the equipment as a package deal.
B. Formal written bids are received on services in excess of $5,000.00 per fiscal year.
C. Documentation is provided for sole source purchases.
PRINTING AND COPYING

Printing is a means of word processing or graphic reproduction of paper documents using a printing press and copying does not reasonably require a quick copy center or high volume duplication equipment or services. If the estimated price does not exceed $5000.00, departments are not required to purchase the copy or print job using a competitive process. The University Print Shop is exempt from this rule and can be used without bidding.

PRINTING AND COPYING OVER $5000.00

If the estimated price exceeds $5,000.00, job must be bid out or use the following options:

1. University Print Shop
2. Texas Department of Criminal Justice (TDCJ) Print Shops: address and phone number of the TCI print shops are listed on the CCG website http://www.ccg.state.tx.us/printshop.html.
3. TxMAS Contracts

INTERAGENCY AGREEMENTS/CONTRACTS

State agencies are authorized by the Texas Interagency Cooperation Act to enter into and perform written contracts with other agencies of the State for furnishing special or technical services. The contract may be for employee services, materials, and/or equipment. Proposals for interagency contracts will be approved by the director of purchasing, or authorized designee, prior to expenditure of funds related to the contract. Written contracts are required only when the total amount of the transaction is expected to exceed $50,000. In situations where the amount of the transaction is $50,000 or less, the agencies may use an informal letter of agreement instead of a contract. No contract or informal letter of agreement will be required for transactions totaling $2,500 or less. Must follow Prompt Payment Act.

INTRA-AGENCY (INTRA-SYSTEM) PURCHASES

An intra-agency purchase occurs when a state agency purchases from another state agency within its own system. Intra-agency purchases usually are made between agencies in a university system that has several branches or locations. Intra-agency purchases may be for any kind of good or service. Intra-agency payments are frequently deposited into a local fund or account by the receiving agency.
EMPLOYEE VS. INDEPENDENT CONTRACTOR DETERMINATION

An **employee** is an individual who performs a service for the university and is working under the direction and control of the university/agency or its employees. Direction and control can be implied to exist when the employer has the right to control *both the results as well as the means and methods of the worker.* (IRS Treasury Regulation 31.3121(d)-1(c)). It is unnecessary for the employer to actually direct or control the manner which the services are performed; it is sufficient if the employer has the right to do so.

The Internal Revenue code provides that employment taxes are imposed on wages received by employees.

An **independent contractor** is an individual engaged by the university to perform a specific function or task and who is free to perform this function or task completely *at the individual’s own discretion with regard to means and methods.* No taxes are required to be withheld or paid on compensation disbursed. (IRS Treasury Regulation 31.3401(c)-1(b)). The existence of an agreement or contract helps support the independent contractor position. This document should be fairly specific in what is to be provided and amount or lack of control the university/agency has over the individual.

**Factors Distinguishing Employee Status from Independent Contractor Status**

Specific factors that are used by the IRS in determining whether an individual is an employee or an independent contractor are listed below. This listing is commonly referred to as the "20 factors" test. These Twenty factors have been identified by the courts in indicating whether sufficient control is present to establish an employer-employee relationship under the common-law rules. The importance of each factor varies depending on the occupation, the factual context in which the services are performed, and even the interpretation of the particular IRS examiner. **As expected, the IRS leans toward classifying individuals as employees.**

For the actual form refer to the Purchasing Department’s web page located at *[http://falcon.tamucc.edu/%7Epurchase/](http://falcon.tamucc.edu/%7Epurchase/)* and under Online Forms click on **Twenty Factors of Relationships** or see Appendix pages 113-114.

A worker will generally be deemed an employee if the individual:

1. Worker is required to comply with instructions about when, where, and how work is done.
2. Worker needs to be trained.
3. Worker's tasks are integrated into normal business operations.
4. Worker's services must be personally rendered.
5. Worker is not responsible for hiring, paying, or supervising assistants.
6. Worker has continuing relationship with "employer".
7. Working hours are set by "employer".
8. Worker is required to devote full-time efforts to "employer's" business.
9. Worker must perform or execute duties on "employer's" premises.
10. Worker's services must conform to order or sequence set by "employer".
11. Worker is required to submit regular oral or written reports.
12. Worker's payment is based on time spent instead of by the job.
13. Worker is reimbursed for travel and other expenses.
14. Worker is furnished tools, materials, and other equipment by "employer".
15. Worker has no significant investment in facilities (such as an office).
16. Worker has no risk of real economic loss.
17. Worker is not working for more than one "employer" at a time.
18. Worker does not make services available to the general public.
19. Worker is subject to discharge without "employer" penalty -- even if job specifications are met.
20. Worker can terminate relationship with "employer" without worker liability.

Note: "Yes" answers are indicative of employee status per IRS Revenue Ruling 87-41, 1987-1 CB 296.

While there is no set number of "yes" answers which cause a person to become an employee rather than an independent contractor, some IRS auditors will try to classify an individual to employee status with only one yes. If you have more than a few "yes" answers, extreme caution should be taken if independent contractor status is going to be claimed.
IRS Reclassification of Independent Contractors to Employee Status

If the IRS reclassifies a significant number of independent contractors to employee status, the result is a substantial financial impact on the university/agency and the departments that are making these payments. In situations where intentional violations of employment tax rules and regulations are detected (i.e., changing a long-standing employee to an independent contractor in order to "save" payroll taxes and benefit costs), the IRS will assess taxes as follows:

- federal income tax at the rate of 20%; and
- federal social security and Medicare tax assessment of 15.3%.

In some cases, the IRS can levy penalties and interest charges. Even if the taxes have already been paid by the individuals in question, the IRS will still make the tax assessment against the university/agency. It then becomes the responsibility of the university/agency to obtain repayment from the individuals in question (assuming the university/agency paid the tax assessment).

Processing Independent Contractors through Purchasing

If the Twenty-Factor Form has check marks on the side of Employer Relationship, please process through Payroll. If the Twenty-Factor form has all check marks on the Independent Contract side, please submit the requisition to the Purchasing Department accompanied with the following paperwork by:

1. An electronic departmental requisition must be completed and a letter of agreement or a contract form should be sent as an attachment to the requisition.

2. A form entitled "Twenty-Factor for Employer-Employee Relationships VS Independent Contractor" reference Appendix pages 113-114, must be completed if paying vendor/contractor by social security number. This checklist form contains the primary guidelines used in determining whether a worker is an employee or an independent contractor. These factors are to be used to reach the decision. Normally if any single factor is met, the individual will be considered an employee.

3. Contracts for the above services under $500 do not require written contracts, but must have a twenty-factor test submitted for payment and signed by the department head or delegated personnel. Department Heads are authorized to sign contracts up to $5,000 when submitted on the TAMU-CC Contract/Agreement Form posted on the purchasing web under Online Forms  http://falcon.tamucc.edu/%7Epurchase/ and on Appendix pg. 110-
For contracts/agreements that do not involve monetary value, use the “Contract/Agreement Transmittal Form” located on the purchasing web under Online Forms http://falcon.tamucc.edu/%7Epurchase/. Note this form is not required if contract is submitted on requisition or limited order.

The twenty-factor checklist form will be reviewed by the Purchasing Director as to whether payment is approved as an independent contractor/consultant when over $5,000.00 and signed by the Department Head or his designee when under $5,000.00. If rejected due to checklist determination being an employee instead of an independent contractor the department will be required to submit a personal transaction record to the Human Resources to process as an employee. Both of the forms can be downloaded from the Purchasing Department’s web page and can be found on pages 110-114 in appendix.

**CONTRACT WORKFORCE REQUIREMENT**

The General Appropriation Act 76th Legislature, Article IX, Section 9-11.18 (Rider) placed requirements on agencies and institutions of higher education concerning the use of a contract worker. For clarification/definition, contract workers are defined as independent contractors, temporary workers (supplied by staffing companies), contract company workers, and consultants.

The requirement of this Rider will be audited and reviewed by the State Auditors Office in Austin. To be in compliance with this Rider, the University must address the following areas:

1. The University must develop comprehensive policies and procedures for its contract workforce
2. The University must examine the legal and personnel issues related to the use of a contract workforce
3. The University must conduct a cost benefit analysis of its current contract workforce prior to hiring additional contract workers or amending or renewing existing contracts
4. The University must document why and how the use of contract workers fits into the agency staffing and strategies, including consideration of the University mission, goals, and objectives, existing and future employee skills needed, compensation costs, productivity, nature of services to be provided, and the workload.
If your requisition is for a contract worker over $10,000 and is using state fund money, a Contract Workforce Analysis must be completed and sent to the Purchasing Department along with the contract agreement. Refer to Appendix page 115-116 for Contract Workforce Analysis and refer to page 84 for Policy on Contract Workforce. Using the approved TAMUCC Contract Agreement Form on the purchasing web page http://falcon.tamucc.edu/%7Epurchase/ under Online Forms or see Appendix pages 110-112, allows the department head or designee to sign this contract up to $5,000.00.
USE OF PRIVATE CONSULTANTS

The procurement procedures for private consulting services are codified in Government Code, Chapter 2254, Subchapter B. The procedures apply to State-Appropriated, Federal and Non-Appropriated funds, which includes Local funds.

Consulting services is defined as the service of studying or advising a state agency under a contract that does not involve the traditional relationship of employer and employee. The term does not include service connected with the routine work necessary to the functioning of a component’s programs. The key words are studying and advising, rather than performing. A private consultant may be employed only if: (1) there is a substantial need for the consulting services; and (2) the University cannot adequately perform the consulting services with its own personnel or through a contract with another state agency. Selection of a private consultant shall be based on demonstrated competence, knowledge and qualifications and on the reasonableness of the proposed fee for the service.

Funds may not be used, regardless of source, to enter into a consultant contract with any individual who is currently employed by an A&M System Member or who has been employed by an A&M System Member within the past 12 months, they must go through payroll.

CONSULTING SERVICES: Contracts over $25,000.00

All Consulting Services over $5,000.00 must be submitted to Purchasing. Services over $25,000.00 require the University to notify in writing the University President, the Legislative Budget Board, and the appropriate House Committee and State Committee. The letter must state terms, cost, and recipient of the consultant contract and is subject to the following procedure:

1. Finding by Chief Executive Officer (CEO)/ President

   The Purchasing Department must include in its invitation for offers the CEO’s finding that the consulting services are necessary and an explanation of that finding. A consulting services contract that is executed without a finding from the CEO is void.

2. Pre-award Publication Requirements

   At least 30 days before executing a contract, the following contract invitation information must be filed with the Secretary of State for publication in the Texas Register:
(2.1) an invitation for consultants to provide offers of consulting services;

(2.2) the University employee who should be contacted by a consultant who desires to make an offer;

(2.3) the closing date for the receipt of offers;

(2.4) the procedure by which the University will award the contract for consulting services;

(2.5) the CEO’s finding that the consulting services are necessary and an explanation of that finding; and

(2.6) if the consulting service relates to a service previously performed by a consultant, the System component must disclose that information in its invitation for offers. If the component intends to award the contract to that consultant unless a better offer is submitted, that intention must be disclosed in the invitation for offers.

3 Pre-award Notification Requirements

At least 30 days before executing a contract, the University must notify the Legislative Budget Board (LBB) and the Governor’s Budget and Planning Office (GBPO) of the component's intent to contract with a consultant, and must provide information demonstrating that the University has complied with the need and selection criteria for employing a consultant. The Consultant Contract Notification Form can be used for this notification.

4 Post-Award Publication Requirements

Within 20 days of contracting, the following information must be filed with the Secretary of State for publication in the Texas Register:

(4.1) a description of the activities that the consultant will conduct;

(4.2) the name and business address of the consultant;

(4.3) the total value of the contract;

(4.4) the beginning and ending date of the contract;

(4.5) the due dates of documents, films, recordings or reports the consultant is required to give the System component; and
(4.6) if applicable, information regarding previous employment.

Additional reporting requirements may exist. Please refer to: see weblink: http://sago.tamu.edu/policy/25-99-03.htm (Contracting for External Consultants and Professional Services -Section 5)

5 Consulting Services Contracts That are Less Than or Equal to $25,000

Contracting for External Consultants and Professional Services, if a consulting services contract has a total cost that is less than or equal to $25,000, does not require the above procedure.

DEFINITIONS

The definitions provided below are those found in statutes which determine the review requirements for consultant contracts.

Consulting Service means the practice of studying and advising a state agency in a manner not involving the traditional employer/employee relationship (Government Code, Section 2254.021). GBPO will review all such contracts over $25,000, except for services specifically exempted.

Professional Services are those services directly related to the professional practices as defined by the Professional Services Procurement Act, (Government Code, Section 2254.002). These include services within the scope of the practices of: accounting, architecture, optometry, medicine, land surveying, and professional engineering. Services provided by professionals outside the scope of their profession, e.g. management consulting services provided by accounting firms, are not considered professional services for the purposes of this document.

Mixed Services When a contract involves both consulting services and one or more type of other services, an agency must comply with the consultant service requirements when the primary objective of the contract is the purchase of consulting services. For instance, if a contractor will be required to analyze and prepare a study of an agency's information systems needs as well as develop and implement a data system, the primary objective of the contract is not the analysis or advice provided, but is the delivery of a data information system. Therefore, the contract is not subject to consultant contract requirements, and the agency must comply with the bid purchasing procedures under Article 601b, V.A.C.S. administered by the Texas Procurement & Support Services (TPASS).
GUEST SPEAKER/LECTURER SERVICES/PERFORMER

For the purchase of services from a sole source provider, the department shall book a guest speaker/lecturer at the agreed upon speaker fee, travel allowance and expenses. All travel costs are to be considered part of the service and must be entered as a separate line in the purchasing module. The department must submit to Purchasing a requisition describing the services to be provided, the date of the meeting/seminar, and the travel expense allowance. A sole source justification will be submitted in FAMIS on screen 250 and any other documentation that indicates the agreed upon cost of the services, person contacted and all terms and conditions. No sole source is required for pianists, entertainers and performers, music, theater and one-time guest speakers. The Purchasing Department will check for compliance and will process the order. Services for under $5,000 may be submitted through the limited purchase order screen (240).

For the purchase of services that may be provided by more than one source (competitive bid), the department will submit to the purchasing department a requisition describing the service to be provided, date of meeting/seminar, and travel allowance and expenses. (Note: pianist, entertainers, performers, theaters, and one time guest speakers are exempt from the bidding process.) All travel costs are to be considered as part of the service and must be entered as a separate line item. A list of suggested sources should be included. Purchasing will obtain bids and issue the purchase order. Refer to Appendix page 109-111 for the approved TAMU-CC Contract/Agreement form if the person does not have a contract/agreement to submit. Department Head, have authority to sign a contract up to $5,000.00

ADVERTISING/PUBLIC RELATIONS (TO INCLUDE TELEVISION, RADIO, ETC)

For the purchase of services from a sole source provider, the department is to place the ad at an agreed upon cost. All requisitions must be approved by Marketing and Communications. The department will submit to the Purchasing Department a requisition describing services to be provided, date of advertisement and copy of the ad. The department will submit a sole source justification and any documentation that indicates the agreed upon cost of the service, person contacted and all terms and conditions. Purchasing will check for compliance and process the order.

For the purchase of services that may be provided by more than one source (competitive bid), the department will submit to the purchasing department a requisition describing the service to be provided. All travel costs are to be considered as part of the service. Include list of suggested sources. Purchasing will obtain bids and issue the purchase order.
INVOICING
PROMPT PAYMENT LAW

The Comptroller’s office automatically computes and pay interest owed to vendors for late payments processed through the Uniform Statewide Accounting System (USAS) that are covered by the prompt payment law. During the 75th Regular Session, the legislature passed several key amendments to Chapter 2251, Government Code (the “prompt payment law”). The Prompt Payment Law has always made a state agency liable for interest accruing on any payment that becomes overdue. The Prompt Payment Law now requires the Comptroller’s office to pay that interest automatically at the same time the principal is paid.

REVIEW OF THE PROMPT PAYMENT AND PAYMENT SCHEDULING

Payment due dates should be well documented including:

(1) Date that the invoice is first received.

(2) The date goods were received or services were completed in accordance with the contract.

(3) All date surrounding a dispute.

(4) Invoice must be mailed to the person/department that is stated on the Purchase Order.

Interest on overdue payment:

(1) A payment begins to accrue interest on the date the payment is overdue.

(2) An overdue payment bears interest at the rate of one .604% each month.

Disputes between state agencies and vendor.

A state agency that believes an invoice from a vendor is erroneous shall notify the vendor not later than the 21st day after the date the agency receives the invoice.
Example of how to calculate interest:

This is an example of how to calculate interest under the prompt payment law. In this example, the following assumptions apply.

- A state agency signs a contract with a vendor on September 10, XXXX, to purchase goods from the vendor.
- The goods are received on September 24, XXXX.

- The agency receives the vendors invoice on October 6, XXXX.
- The agency payment is post marked December 9, XXXX.
- The amount of the agency payment is $500.00

(1) Start counting the 30 days beginning on the day after the agency received the invoice.

(2) Count the day after the due date and end counting on the date the payment is postmarked.

(3) Use formula \((\text{# of days late}/365) \times (\text{Interest Rate}) \times (\text{Amount of Payment}) = \text{Interest due}\). Example: \((34 \text{ days}/365 \text{ day per year}) \times (7.25\% \text{ or .0725 Interest Rate}) \times ($500 \text{ Amount of payment}) = \$3.38 \text{ Interest Due}\)

**NOTE:** The prompt payment law states that the clock starts running (on the time to pay a vendor) on the latter of an invoice being received or goods being received in accordance with the contract under which they were purchased. (On purchase orders, payment is due directly upon agency receipt of those goods, then you must consider that the date to goods are received at your agency is the date that must be recorded as the date that they were received or put on purchase order that there will be a period of time or process to verify that the equipment is functioning.
Early Payment Discounts

An early payment discount (also referred to as a cash discount) is a discount offered to the purchaser if the payment is made within a specified period. Commission Rule 1 TAC 113.6(a)(11) states: "Discounts will not be used in determining the low bid. All cash discounts offered will be taken if earned".

This rule extends to all types of purchasing including term contract, open market, and delegated purchases. The Texas Procurement and Support Services (TPASS) urges all agencies to pay invoices promptly and earn all discounts available.

Excess Obligations Prohibited

The General Appropriation Bill, approved each biennium by the Texas Legislature, contains the following provision:

♦ No department or agency specified in this Act shall incur an obligation in excess of the amounts appropriated to it for the respective objects or purposes named. As a specific exemption to this provision the Texas Building and Procurement Commission may determine that a proposed installment purchase arrangement is cost effective and certify this finding in response to an agency request. Such a finding may be made for obligations incurred for the purchase or lease of automated information system equipment only if such department or agency has filed with the Department of Information Resources (DIR) a long-range automated information system plan and such plan has been approved by DIR. In the event this provision is violated, the Comptroller shall deduct an amount or amounts equivalent to such over-obligation from the salary or other compensation due the responsible disbursing or requisitioning officer or employee, and apply the amount to the payment of the obligation. This provision is specified pursuant to Section 10, Article XVI, of the Constitution of Texas.

Excess obligations apply to those purchases in which the purchase or service extends beyond a biennium. Any equipment lease, lease with option to buy, lease purchase, installment purchase, or any other type of purchase which incurs obligations beyond the current appropriations act is strictly prohibited by the Texas Constitution, unless the obligation is expressly contingent upon continued legislative appropriations. The following procedures and programs are constitutional:

♦ any equipment lease, lease with option to buy, lease purchase, or installment purchase made through the Texas Public Finance Authority's (TPFA) master lease program; or

♦ an installment purchase in which the agency requests the TPASS to certify the purchase beyond the current biennium. The TPASS considers an installment purchase to be any purchase in which installment payments are made and there is an opportunity for the title to pass between the buyer and seller, including lease purchases. These purchases must
contain a clause which enables the state to cancel the agreement at its option, or upon a failure of appropriations so that no unconstitutional obligations are incurred.

For the University to make the required certification, the following information must be included with the requisition:

♦ a statement containing the total dollar amount of anticipated interest charges over the life of the purchase to the extent it can be determined;

♦ a statement comparing the anticipated cost savings to be realized through the present acquisition of the equipment, with the outright purchase of the equipment at a later time, when adequate funds become available;

♦ a statement affirming that the agency expects to be able to make payments beyond the current biennium without having to rely on an increased level of general revenue appropriations; and

♦ a letter stating, "In spite of the additional interest cost to the State, this purchase could not be accomplished as economically through any other available means. Therefore the lease (or installment) purchase of this equipment is the most cost effective means of obtaining the needed equipment". Note: This letter needs to be signed by the Purchasing Director or higher authority in the requesting agency.

**Bond Review Board**

All lease or installment purchases with a principal value of $250,000 or a term of more than five years must have prior written approval from the Bond Review Board submitted with the requisition. Excess obligation documentation procedures are still required if the purchase is not being financed through the TPFA's master lease program.
CENTRAL RECEIVING AND
SURPLUS PROPERTY OFFICE
CENTRAL RECEIVING AND PROPERTY OFFICE

DIVISIONS AND SERVICES

1. Central Receiving
   a. Receiving Procedure
   b. Tracking Shipment to Central Receiving
   c. Merchandise Returns/Repairs
   d. Records Retention

2. Property Office
   a. Equipment Management- Inventory, Property number assignment and surplus/salvage property.

Should you have any questions about the Central Receiving or Property Office, please contact us at one of following numbers.

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone</th>
<th>Position</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efrain Montelongo</td>
<td>825-2251</td>
<td>Property Officer</td>
<td><a href="mailto:Efrain.Montelongo@tamucc.edu">Efrain.Montelongo@tamucc.edu</a></td>
</tr>
<tr>
<td>Luis Fonseca</td>
<td>825-2094</td>
<td>Warehouse Supervisor</td>
<td><a href="mailto:Luis.Fonseca@tamucc.edu">Luis.Fonseca@tamucc.edu</a></td>
</tr>
<tr>
<td>Higinio Lerma</td>
<td>825-5727</td>
<td>Receiving Specialist</td>
<td><a href="mailto:Higinio.Lerma@tamucc.edu">Higinio.Lerma@tamucc.edu</a></td>
</tr>
</tbody>
</table>

Central Receiving/Property Office Web Site: [http://falcon.tamucc.edu/%7Einserv/central_rec/default.html](http://falcon.tamucc.edu/%7Einserv/central_rec/default.html)
CENTRAL RECEIVING DIVISION

Centralized receiving services deliver all inbound shipments to departments. Central Receiving personnel will inspect and deliver all freight and parcels to specific campus addresses and will usually do so within 1-3 days of arriving at the Central Receiving Warehouse.

Receiving Procedure

1. Incoming shipments will be received and inspected by Central Receiving personnel immediately after receipt. Goal is to deliver within one to three days from receipt of the shipment.
   a. UPS next day, Airborne, Federal Express, refrigerated and perishable parcels will delivered as soon as possible and have priority.
   b. Purchase orders created by Purchasing or Departments are processed and delivered as they arrive at Central Receiving. Non-purchase parcels will deliver as soon as possible.
   c. Procurement Credit Card orders must have proper information on shipping label or delivery receipt. Example PCP-DEPT-Last name of cardholder (ie: PCP-PURC-HARRAL)
2. The receiving inspection performed will include the following:
   a. A careful comparison of the number of pieces received with the number listed on the freight bill.
   b. Examination of the cartons for any evidence of damage.
   c. Examination of the contents for obvious damage if cartons show any evidence of possible damage.
3. Notation of any shortage or damage will be made on the freight bill before it is signed and the carrier released from Central Receiving. (F9 notes on receiving report.)
4. If the receiving inspection has revealed any reason to suspect concealed damage, the requisitioning department will be notified. Qualified personnel will arrange for a thorough examination of the equipment if needed.
5. If either obvious or concealed damage is discovered in the inspection, Central Receiving personnel will arrange for a damage inspection report to be completed by the carrier.
6. If concealed damages are detected after the shipment has been delivered by Central Receiving, departments should notify the Purchasing Department and Central Receiving immediately. Remember concealed damage claims must be filed with the carrier within 15 days of receipt of the freight in the Central Receiving Warehouse.
7. The Central Receiving personnel will enter into FAMIS the preliminary receiving information (Screen 320). Information will include number of pieces, carrier, and date received. Please note Central Receiving only verifies the number of boxes received and not the contents.
8. The Receiving report (Screen 320) will be used as a receipt for documentation that the delivery was accomplished. Department will sign and date report which will be filed at Central Receiving. Notify Central Receiving of any problems within 5 days of delivery.
9. Central Receiving will deliver shipments to Department after inspection and processing the receiving report. Pallet deliveries will be scheduled and coordinated with departments.
10. The requisition department is responsible for making final inspection of their merchandise. Completion of the receiving process is the responsibility of the department, which includes accepting line items on Screen 321 and closing receiving report on Screen 326.
11. Refer to invoicing section for prompt payment law guidelines. Failure to complete receiving process of merchandise/services within 3 to 5 days will result in late charges being paid from department accounts.

12. Whenever damage is involved, Central Receiving will notify the appropriate Buyer in Purchasing. The Buyer will promptly notify the vendor of the damage and will provide the vendor with the necessary information to support a claim against the carrier. It will be the responsibility of the vendor to settle damage claims with carrier whenever shipments are made “F.O.B. Destination”.

**Merchandise Returns/Repair**

When it is necessary to return an item or ship, an item for repair a return authorization and a call tag must be initiated. Vendor responsible for calls tag because of incorrect item, duplicate item, or damage in transit. Department or Purchasing responsible for requesting returns authorization and a call tag issued if the return is no fault to vendor.

1. Merchandise ordered by the Purchasing Department will be process for return by the Buyer responsible for the order. (Vendor received a hard copy of a Purchase Order)
2. Merchandise ordered by the Department on a Limited Purchase Order or Procurement Credit Card will be processed by the department placing the order.

If the department or Purchasing is returning merchandise and paying shipping charges, the department is responsible for packing the merchandise for shipping. Central Receiving does not provide packing materials. Call Central Receiving for picking up merchandise and processing at the University Bookstore.
Tracking Shipments

When trying to track a shipment to Central Receiving call the vendor or who sent the item and ask for a tracking number or proof of delivery. The number can track a package by where it is and when delivered plus who sign for. The following web sites can help in tracking packages by the two main carriers who deliver to Central Receiving.

www.ups.com
www.fedex.com

1. Tracking Incoming Shipments

If shipment is for a purchase order with a "P" prefix departments can call Purchasing’s Administrative Assistant at extension 2617 for follow-up and expediting. All other shipments or package need to provide the following information too properly track delivery when receiving department shows no record of shipment.

Try to obtain Proof of Delivery (POD) or tracking number. This can be provided by vendor and can be tracked on carrier's web site. Fax or e-mail POD (Proof of Delivery) information to central receiving.

If POD (Proof of Delivery) or tracking number cannot be obtained, fax or e-mail enough information as possible.

Retention Records Storage

1. University records retention are maintain by central receiving.

2. Departments must box and label records. No boxes will be accepted without proper labeling. (Example: Records Storage form) Label will consist of the following information. Department, contents, record dates, disposal date, and method of disposal.

3. To initiate transfer submit work order e-mail or fax with quantity, location, and point of contact and account number for labor charges to Central Receiving by fax or e-mail.

4. Central Receiving will notify responsible department when disposal dates approaches. All records will be documented with authorize signature from department prior to disposition.

5. Recycle is done by work order, which physical plant recycle personnel will complete. Department must supply account number for labor charges.

Departments need to call or e-mail to schedule time for researching records in warehouse. This is due to receiving operations and records are stored on racks.
PROPERTY OFFICE DIVISION

EQUIPMENT MANAGEMENT

I. RESPONSIBILITY FOR EQUIPMENT

*Property Officer*
The Property Officer who reports to the Purchasing Director is responsible for the overall management of the University equipment and is responsible for the maintenance and control of the central inventory system. The Property Officer is responsible for coordinating the Annual Physical Inventory.

*Accountable Property Officer*
Each department will delegate in writing, an Accountable Property Officer for the equipment assigned to their departments or units. By this delegation, Accountable Property Officers are responsible for the physical possession and control of all equipment entrusted to their activities.

*Alternate Accountable Property Officer*
Accountable Property Officer may appoint, in writing an Alternate Accountable Property Officer to act on his behalf. Alternate performs daily functions of equipment management, exercises “due care”, and prepares paperwork for processing to Property Office.

II. CHANGE IN ACCOUNTABLE PROPERTY OFFICER OR ALTERNATE

In the event of a change in Accountable Property Officer, the University Property Officer will verify an inventory of equipment and furniture. The responsibility to ensure incoming and outgoing individuals are conducting a receipt or transferred of inventory is done by departments. Documentation must be supported by detailed inventory list of all equipment assigned to their department. Request an Inventory Verification of Approved Assets (TBAR004) from the Property Office for the inventory and receipt documentation. The physical inventory if determined to be unnecessary must be agreed upon by the incoming Accountable Property Officer, Department Head and University Property Officer.

In the event of Accountable Property Officer departs prior to the appointment of new Accountable Property Officer, interim Accountable Property Officer will be appointed by Department Head. Same procedures will be followed as described in preceding paragraph to maintain accountability and responsibility for State Property.
III. PHYSICAL INVENTORY

Each TAMU-CC department must conduct a physical inventory of its equipment each year. The Accountable Property Officer or Alternate is responsible for the annual inventory of their department’s equipment and furniture. The inventory should be conducted by a team of two or more individuals and be performed by a manual process or barcode scanner if applicable. The inventory must be complete in a reasonable time, 30 days is considered reasonable. After the required time has passed and the inventory is not completed a letter to Department Heads will be sent out informing them of past due inventory.

Departments will receive a list of their department’s inventory via a no scan list from Protégé Scan and Validate Web Site. Departments will also receive scanner the day they are scheduled for physical inventory, they will receive instructions on using scanner. Department’s Accountable or Alternate Property Officers will have access to Protégé Website during physical inventory. Property Officer will provide password for logging into Protégé Website. After Departments have completed physical inventory, Property Officer will complete Physical Inventory Certification for Department’s Accountable or Alternate Property Officer’s signature.

Signed memo of Certification of Annual Physical Inventory must be returned to the Property Office. Also all documentation to reconcile the inventory must be signed and turned in for processing. Etc. transfers, deletions due to items sent to surplus, salvage, cannibalize and missing or stolen property.

IV. INVENTORY CONTROL

Tagging of Equipment-Capitalize or Controlled
All TAMU-CC equipment shall be permanently marked as property of TAMU-CC or State of Texas. Capitalization is mandatory for all equipment having a unit value of $5,000.00 or greater and an estimated useful life of more than one year. Controlled items include stereo systems, cameras, VCR’s, televisions, computers and printers having a unit value of $500.00 - $4,999.99 and all firearms. TAMU-CC controls Projectors LCD as agency controlled. Markings shall be considered permanently affixed when the marking can be removed only through considerable or intentional means.

Items tracked on a unit basis will be assigned a unique individual property inventory number. Individuals may not place a new piece of equipment into service with a property inventory number previously assigned to another piece of property, even if the previous item has been deleted from the inventory system.

Property number is to be assigned and permanently affixed to each item of equipment whether received by Central Receiving or item delivered to department. Property number must be affixed prior to the item being placed in use or released outside the initial receiving activity. For an item received by a central receiving activity the property number will be assigned and permanently affixed by the central receiving personnel prior to the item being delivered or released to the
department.
Central Receiving will send an Asset Location form when delivering the equipment to verify the correct location of the asset. This is critical when locating an approved asset during inventory process.

For an item received directly by the department, the Property Officer will assign the property number. The property number will be permanently affixed by the department prior to the item being placed in use. This includes items purchased with the procurement credit card that are controlled items by the State Accounting Policy.

The inventory number must be permanently affixed to an item promptly upon receipt and acceptance but not later than ten calendar days after receipt, unless prevented by unusual circumstances. Examples of acceptable reasons for not accomplishing such within the ten calendar days would be that the item had to be assembled, calibrated, or connected to a system before it could be inspected properly and placed in use.

**Transfers within TAMU-CC**

Transfer of equipment includes any item of equipment transferred from or to a department. The Accountable Property Officers, or Alternates, will be responsible for transfers of equipment to or from their departments.

Accountability will be maintained throughout the transfer process. Transporting property between departments must be approved prior to a work order submitted to Physical Plant. Point of contact, phone number, location of property and account number for labor charges will be needed for processing.

The Accountable Property Officers or Alternate of both the issuing and receiving departments must sign a Notification of Transfer form. After the property is transferred forward the Notification of Transfer form to Property Office for processing. Items will not be deleted from the losing department until added to the gaining department.

Department is responsible for the tracking of equipment. Failure to submit a property transfer form when transferring to another department the issuing department will be accountable for the equipment even if receiving department has the equipment.
**Missing/Stolen Equipment**

The Accountable Property Officer, or Alternate, must notify the Property Officer within 24 hours of identifying missing/stolen equipment. The University Police department must be notified for a police report to be on file. Stolen property must be reported to the University Police within 48 hours of identifying a theft.

Missing equipment will remain on the department’s inventory through two physical inventories and/or two calendar years from the time the item is determined to be missing. The missing/stolen property report for state agencies will be prepared by the Accountable Property Officer, or Alternate, when the equipment is discovered to be missing/stolen. (Attachment I) The Missing/Stolen Property Report will be kept of file by the property office for auditing purposes. The report should include the following information: asset number, asset description, location of asset, and signature of the Accountable Property Officer, or Alternate.

The Legislature directed the Comptroller office to withhold from General Revenue funds appropriated to an agency or institution an amount that equals 50 percent of the value of the property the agency or institution reported lost in excess of standard promulgated by the American Society for Testing and Materials (ASTM). For more information review FM02-47: Implementation Guidelines for General Appropriations Act, Act. IX & 9.03, 77th Leg., R.S. Appropriation Reductions for Lost Property.

**Surplus and Salvage Property**

Items of surplus/salvage that are not transferred between departments must be transferred to the Surplus Property Office. TAMU-CC will publicize via the Texas Higher Education Coordinating Board web site all instructional material and data processing equipment designed as surplus. The posting will remain on the web site for 10 days. Items that are not transferred to another state agency will be included in publicizes Surplus Sealed Bid Sale. Central Receiving is responsible for posting legal notice, preparing bid listing and notification to high bidders. Legal notice in the local newspaper will be posted the weekend prior to the sale. A campus notice will be place in the campus announces on the university web site. All items will be sold as is and the individual having high bid is responsible for removing items from campus.

Surplus items include inventory and non-inventory items. Property that is a capitalize or controlled property will be submitted to Property Officer on the Property Deletion form, which can be downloaded from the Central Receiving web page. Accountable Property Officer for each department initiates process. The following information for processing work order must be entered on form; location of property, point of contact and account number for labor charges.

Surplus that is non-controlled will be submitted to Assistant Warehouse Supervisor. Items include desks, filing cabinets, chairs, printers or any items not on department’s inventory.
Property Officer will inspect salvage property for proper disposal and documentation. Salvage property must have the requirement of equipment that though use, time or accident is so depleted worn out, damaged, consumed or outdated plus obsolete and/or can no longer serve the purpose for which it was originally intended.

Physical Plant is responsible of transporting property to central receiving when work order is submitted if Departments transports property to warehouse fax or e-mail to coordinate time and date. (Due to space availability and daily receiving operations)

**Cannibalization of Equipment**

It is sometimes more beneficial to Texas A&M University Corpus Christi to use components of worn out or obsolete equipment to rebuild or repair a similar item rather than transfer the equipment to the Surplus Property Office. Approval to cannibalize an inventory item should be obtained in advance, when practicable, from the Property Office in the Purchasing Department.

Cannibalization is defined as the authorized removal of components from one item of property for installation on another item of property to meet a specific requirement and to return the second item to service. TAMUCC has the authority to allow cannibalization of equipment and to determine what types of equipment are most frequently cannibalized. Cannibalized items are considered "non-inventory" and are transferred to the Property Office.

The following are the guidelines for the cannibalization of state property

1. The decision to allow cannibalization will be determined by the Property Officer.
2. However, can be delegated contingent upon appropriate management approval to the Accountable Property Officers, and technical experts.
3. The Accountable Property Officers or technical experts must submit a written request to cannibalize property items and then the remains sent to surplus.
4. Field offices are required to have two signatures on cannibalize property destroyed or salvaged. The verification of cannibalized property must be sent to the Property Office.
5. Inventory items in the surplus account will not be cannibalized. Property must be deleted as cannibalized prior to inclusion in the surplus account.
6. Property that is capitalized or controlled that cannibalized must have Property Deletion Form for processing.

After the reconstructed asset has been placed into service, the dollar value will not increase except that the 25 percent materiality clause to value the asset may apply.

The scope of cannibalization will be limited to include internal components only.

Types of equipment most frequently cannibalized: Computers, printers, televisions, projectors, microscopes, golf carts, vehicles and grounds equipment.
INTERNAL FLOW CHART FOR
DISPOSITION OF SURPLUS/SALVAGE PROPERTY
Texas Government Code 2175, Surplus and Salvage Property

Property is turned in to Surplus Property Office

- Advertise all other surplus property via the Texas Higher Education Coordinating Board web page to public school districts if can be used for instructional purpose for 10 days.
- Transfer to state agency
- Dismantle for parts
- Transfer to state agency

- After 30 day period, transfer remaining data processing equipment to Texas Correctional Industries (TCI)

- All other property not sold will be in the next surplus property sale

- Rejected from TCI
III.
SYSTEM REGULATION
and
TAMU-CC STANDARD
ADMINISTRATION PROCEDURE
25.99.02
PURCHASING ADMINISTRATION
SYSTEM REGULATIONS
25.99.02 Component Purchasing Authority

1. GENERAL

The Texas A&M University System (System) was granted additional purchasing authority by the 77th Legislature. The System Procurement Code (Code) was developed to guide the purchasing activities of the System. The Code is hereby adopted and replaces the TPASS Procurement Manual. The Code is located at http://sago.tamu.edu/policy/Code.htm

2. REQUIREMENTS

System components will follow the Code in all purchasing activities. Components will develop additional rules, processes and standard operating procedures for component purchasing activities to define delegations of authority, time lines, dollar amounts, etc.

3. GOODS AND SERVICES

System components may acquire goods and services by the method that provides the best value to the institution through:

(a) competitive bidding;

(b) competitive sealed proposals;

(c) catalogue purchase;

(d) group purchase; or

(e) other methods relevant to specific types of purchases.

4. DETERMINING VALUE

In determining what is the best value, the component shall consider:

(a) the purchase price;

(b) the reputation of the vendor and of the vendor's goods or services;

(c) the quality of the vendor's goods or services;
(d) the extent to which the goods or services meet the component's needs;

(e) the vendor's past relationship with the component;

(f) the impact on the ability of the component to comply with laws and rules relating to historically underutilized businesses and to the procurement of goods and services from persons with disabilities;

(g) the total long-term cost to the component of acquiring the vendor’s goods or services;

(h) the use of material in construction or repair to real property that is not proprietary to a single vendor unless the component provides a written justification in the request for bids for the use of the unique material specified; and

(i) any relevant factor(s) that a private business entity would consider in selecting a vendor.

5. **ADDITIONAL STATE REQUIREMENTS**

Purchases shall comply with state statutes relating to contracting with historically underutilized businesses and procurement of goods and services from persons with disabilities.

6. **IMPLEMENTATION**

The Chief Executive Officer (CEO) of the component is responsible for implementing the System Procurement Code. The CEO may delegate authority for the purchasing function in accordance with System Policy 25.07 Contract Administration.

***************

CONTACT OFFICE: Vice Chancellor for Business Services

HISTORY: New Regulation
25.99.02.C1
PURCHASING ADMINISTRATION
UNIVERSITY RULE
25.99.02.C1 – Purchasing Administration

1. GENERAL

1.1 The President’s has delegated authority to the Department of Purchasing for procuring goods and services required by the University at the specified quality and quantity levels, and at the best value. Purchase orders will be awarded on the basis of competitive bidding whenever predicable. The Department of Purchasing shall follow all guidelines outlined in the Texas A&M University System Regulation 25.99.02: Component Purchasing Authority.

1.2 No officer/employee will intentionally or knowingly make or authorize separate, sequential, or component purchases to avoid the competitive bid requirements. Purchases may not be broken down into small purchases in order to meet the specified dollar limit.

1.3 Departments are encouraged to contact the Department of Purchasing as soon as needs are determined to allow for the timely delivery of services and equipment.

2. RESPONSIBILITIES

2.1 Employees of the Department of Purchasing shall adhere to the ethical standards of the Texas A&M University System Ethics Policy 07.01, and to the Code of Ethics developed by the National Association of Educational Buyers, Inc. (NAEB). The NAEB Code of Ethics is as follows:

1. Give first consideration to the objectives and policies of the institution,
2. Strive to obtain the maximum value for each dollar of expenditure,
3. Decline personal gifts or gratuities,
4. Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit,
5. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation,
6. Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
7. Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes,
8. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration or other third party review, insofar as the established policies of the institution permit.
9. Accord a prompt and courteous reception, insofar as conditions permit, to all who call
on legitimate business missions.

10. Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods,
11. Foster fair, ethical and legal trade practices, and
12. Counsel and cooperate with NAEB members and promote a spirit of unity and a keen interest in professional growth within the organization.

2.2 The Department of Purchasing will:
1. review departmental requisitions to determine the best purchasing method to achieve the best value for the University,
2. develop and provide training on procurement related issues for all departments,
3. solicit and evaluate bids and proposals and make purchase awards for goods and services based on best value decisions,
4. encourage the utilization of and participation by Small and Historically Underutilized Businesses in all procurement decisions,
5. maintain an accurate file of all purchasing transactions and related correspondence,
6. develop and maintain accurate and up-to-date information on sources of materials, services, and equipment in the form of catalogs, price lists, etc., and,
7. assist departments that have been delegated purchasing authority.

OFFICE OF RESPONSIBILITY
Department of Purchasing
25.99.02.C1.01 UNIVERSITY PROCEDURES FOR PURCHASING PROCEDURE
25.99.02.C1.01 Purchasing Procedures
Approved September 4, 2002
Revised June 2, 2008
Supplements System Regulation 25.99.02

1. GENERAL

1.1 All purchases must comply with University purchasing procedures. Each purchase must be fully documented with all documents retained in accordance with the University's records retention schedule. There are three types of purchasing authority: (1) purchases processed directly through and by the Purchasing Department; (2) purchases delegated for Library with no dollar limit; and (3) purchases delegated to all departments with a stated dollar limit of $5,000 either with using the procurement credit card or limited purchase orders through Famis. Purchases requiring a written contract, other than the university standard purchase order, must be in compliance with the provisions of System Policy 25.07: Contract Administration, and System Regulation 25.07.01: Contract Administration Procedures and Delegation. In this case, the Purchasing Department may assist to initiate contract reviews through the Contract Coordinator if appropriate.

1.2 Unless specifically exempted (See Section 2), the following procurement methods must be utilized for purchases over $5,000: competitive bidding; competitive sealed proposals; catalogue purchase procedures; group purchasing; and alternate methods relevant to specific application of goods or services purchased.

1.3 All purchases shall be based on “best value” and shall encompass the following: purchase price; reputation of the vendor and of the vendor’s goods or services; quality of the vendor’s goods or services; extent to which the goods or services meet the University’s needs; the vendor’s past performance with the University; impact on the ability of the University to comply with laws and rules relating to Historically Underutilized Businesses and to the procurement of goods and services from persons with disabilities; total cost of ownership to the University of acquiring vendor’s goods and services; use of material in construction or repair to real property that is not proprietary to a single vendor unless the University provides a written justification in the request for bids of the unique material specified; and any other relevant factor that a private business entity would consider in selecting a vendor.

2. PURCHASE PROCEDURES

2.1 Delegated Departmental Purchases

The Department of Purchasing has delegated the authority to departments to make purchases of goods and services for $5,000 or less (including freight and/or postage. All employees making purchases under this delegated purchasing authority shall adhere to the Texas A&M University System Ethics Policy 07.01 and adopt the NAEB Code of Ethics found in University Rule 25.99.02.C2, section 2.1.
2.1.1 Purchases within these dollar limits require proper documentation on the Limited Purchases screens in the Purchasing Module or as provided in the University Guidelines for procurement card purchases. Purchases may not be broken down into small purchases in order to meet the authorized limit of authority. In the event a purchase or series of purchases (that appropriately should have been combined into a single purchase) are made exceeding the $5,000 delegated authority, the department shall submit a non-compliant memo explaining the circumstances surrounding the separate purchases. Furthermore all purchases must be encumbered and approved within the Famis purchasing module prior to placing order for goods and services except when using a procurement credit card. When a department places an order before this process, it is called an “After the Fact” (AFT) and is considered a purchase procedure violation, which must be submitted on a voucher create with an “ATF” memo for justification of event along with steps take to avoid in future purchase. The department shall return the complete ATF form to the Director of Purchasing or Associate Director of Purchasing. Upon receipt of the ATF memo justification, the Purchasing Department will authorize Accounts Payable to process the non-compliant purchase order or voucher. The Director has the authority to approve non-compliant payments to vendors that do not exceed $100,000. All non-compliant payment requests greater than $100,000 must be reviewed by the Associate Vice President for Finance and Administration or designee.

If the purchasing department determines that a department/employee has excessive violations within the fiscal year, they may be required to submit a memorandum to the Associate Vice president for Finance and Administration explaining why the proper procurement procedures were not followed. Based upon the justification provided, the Associate Vice President for Finance and Administration will take action(s) deemed appropriate for the infraction. Possible actions include the following: a. Require attendance of Purchasing 101 Policy and Procedure Workshop; b. Require employee to be personally responsible for payment of goods/services to vendor; c. Revoke delegated purchasing authority.

2.1.2 Departments shall provide equal opportunity and access to all vendors for the purchase of goods and commodities. Departments shall identify and utilize, whenever possible, Historically Underutilized Businesses (HUBs) for the purchase of goods and services. The Department of Purchasing will assist in identifying HUBs for such purchases. Assistance in identifying HUBs may be found at [http://falcon.tamucc.edu/~purchase/](http://falcon.tamucc.edu/~purchase/) for an on-line listing of HUBs.

2.1.3 Departments shall purchase goods and services, whenever possible, from persons with disabilities (Texas Industries for the Blind and Handicapped).
TIBH Industries, Inc. helps provide employment, through the State Use Works Wonders Program, for Texans with blindness and other disabilities. Shop the TIBH Catalog Online: http://www.tibh.org/shop.html.

2.1.4 The State of Texas has awarded contracts that are available for use by all state agencies and institutions of higher education. Information on the types of goods or commodities available on state contracts may be found at the following website: http://www.cpa.state.tx.us/procurement/. Departments are highly encouraged to review and utilize the state contracts whenever possible, listed under Term Contracts and Texas Multiple Award Schedules (TXMAS).

2.1.5 TAMU-CC participates in the Texas A&M Strategic Sourcing Initiative developed by the Department of Strategic Sourcing & Purchasing in College Station. These are system wide master agreements for university-wide purchases. For a detailed description of the available University contracts, visit the following website: http://purchasing.tamu.edu/ssps/suppmall/index.asp.

2.2 Purchases Processed Through Department of Purchasing

All purchases in excess of the authorized departmental purchase limit (over $5,000) shall be submitted as a requisition to the Department of Purchasing. Upon receipt of the purchase requisition, the Department of Purchasing will determine the appropriate method of procurement and process accordingly. The Department of Purchasing will solicit bids/requests for proposals and make an award.

2.3 Purchase Categories

The following purchase categories determine the process in which goods and services are obtained:

2.3.1 State Contracts

The State of Texas has awarded contracts that are available for use by all state agencies and institutions of higher education. These contracts are either non-automated or automated state contracts. For information regarding the types of goods available on state contracts, you may visit the following web-site: http://www.cpa.state.tx.us/procurement/.
2.3.2 Emergency Purchases

2.3.2.1 An emergency purchase is defined as a purchase of goods or services so badly needed that a department will suffer financial or operational damage unless they are secured immediately. Departments shall contact the Purchasing Department for assistance in the handling of emergency purchases. If the emergency happens after normal business hours, the department shall notify the Department of Purchasing on the next business workday.

2.3.2.2 A written emergency justification is required for this type of purchase. While bids are not required, the departments are encouraged to obtain bids if at all possible.

2.3.3 Services

2.3.3.1 Purchase of services is defined as the furnishing of skilled or unskilled labor or professional work, but does not include: (1) professional service subject to Subchapter A, Chapter 2254 of the Texas Government Code; (2) service of a state agency employee; (3) consulting service as defined by Subchapter B, Chapter 2254 of the Texas Government Code; or (4) service of a public utility.

2.3.3.1.1 Requisitions must be submitted for the purchase of services and the award issued before the service begins. If the service can only be provided by a sole course provider, a letter of justification explaining why the service is needed and why it cannot be obtained competitively must be submitted with the requisition.

2.3.3.2 Rental of machines and equipment: Rental of machines and equipment that do not include an operator are considered goods and rentals that include an operator provided by the supplier are considered services.

All rentals in excess of $5,000 must be processed through the Department of Purchasing prior to the date of required use. For rentals with an estimated value less than $5,000, the department may purchase the services using their delegated authority.

2.3.4 Computer Software

2.3.4.1 All software with a cost in excess of $5,000 is classified as capital equipment and must be inventoried. All purchase requisitions over $5,000 for software shall be sent to the Department of Purchasing for
2.3.4.2 Software with a cost not exceeding $5,000 and requiring the execution of a third party contractor license must be submitted to the Department of Purchasing for review prior to any commitment for the purchase of the software. Only the Purchasing Department has authority to execute license agreements.

2.3.4.3 Software is allowed on Procurement Card if the cost is $500.00 or less and there are no recurring costs.

2.3.5 Use of Private Consultant

2.3.5.1 Consulting services of $5,000 or less may be processed utilizing the Limited Order screens through the Purchasing Module.

2.3.5.2 Consulting services in excess of delegated authority shall be requisitioned through the Department of Purchasing.

2.3.5.3 Consulting services requisitions will be processed according to guidelines addressed in the oversight requirements listed in System Regulation 25.99.03: Contracting for Private Consultants and Professional Services.

2.3.6 Lease of Space

All lease-of-space requirements for Texas A&M University-Corpus Christi must be submitted to the Department of Purchasing. If a department requests a contract involving lease of space on campus or off, the contract must be submitted to TAMU System Real Estate for review and approval. A purchase requisition and specific lease information must be submitted to the Department of Purchasing to initiate the lease process.

2.3.7 Lease/Purchase of Installment Payment Purchases

2.3.7.1 Requests for all lease-purchases or installment payment purchases shall be submitted to the Department of Purchasing. The Department of Purchasing will assist departments in developing lease-purchase specifications, determining available lease-purchase options, and obtaining the required approvals.
2.3.7.2 The Director of the Department of Purchasing is authorized to approve lease-purchases of $100,000 or less with a term of five years or less.

2.3.7.3 The Executive Vice President for Finance and Administration is authorized to approve a lease/purchase of more than $100,000, but not to exceed $200,000 and with a term of five years or less. The President must sign lease/purchases over $200,000.

2.3.7.4 The Texas Bond Review Board is required to approve any lease purchase or installment payment purchase in excess of $250,000 or having a stated term of longer than five years if state-appropriated funds are utilized.

2.3.8 Exempt Purchases

The following goods or services are exempt from standard competitive bidding requirements and may be purchased in accordance with delegated departmental purchases, found in Section 2.1.1 of this rule, regardless of dollar amount:

(1) Classified Advertising: expenses such as newspaper and magazine advertisements (does not include public relations/advertising campaign related services).

(2) Conference Expense: expenses related to conference room services such as audio/visual/network and food services. *(Does not include goods purchased for attendees or transportation services).* All contracts must be reviewed by the purchasing department.

a. Hotels and Conference Rooms.

(3) Moving Expenses: (employee) Institutional funds only.

(4) Lecturers/Guest Speakers: fees for speakers/lecturers hired on a one-time basis (does not include fees for speakers/lecturers on a continuous basis).

(5) Student Travel: expenses related to student travel with the exception of air and bus charter.

(6) Library materials specific for TAMU-CC Library.

(7) Legislative information services; bill analysis services.
(8) Membership fees and dues.

(9) Newspaper and magazine subscriptions direct from the publisher.

(10) Freight.

(11) Services provided by other State of Texas agencies or by other local governments. (Inter-agency and Inter-local agreements must be reviewed by the Department of Contract Administration.)

(12) Intra-agency payments.

(13) Registration fees and associated books and materials.

(14) Rental of exhibit space (such as booths for display purposes).

(15) Goods and services provided by the Texas Department of Criminal Justice.

(16) Goods and services provided by the Texas Industries for the Blind and Handicapped.

(17) Internal repairs.

(18) Purchases from Federal agencies.

(19) Utilities.

(20) Architectural Services.

(21) Artists (Painters, Sculptors, Compositions, Performers).

(22) Group Purchasing Programs (Co-Op).

(23) Medical Doctor Services.

(24) Performing Artists (Music, Entertainment).


(26) Professional Landscape Architect Fees.

(27) Purchases from the GSA Contracts.
2.3.9 Federal Fund Purchase Requirements

2.3.9.1 Each requisition for the purchase of equipment with federal funds may be screened by the Property Manager to make certain that such equipment is not available on campus. The requisition must reflect the class code(s) under which the equipment being requisitioned can be found.

2.3.9.2 If such equipment is available, the Property Manager will contact the owner of the equipment and the requisitioner to consider the feasibility of using the available equipment. If the available equipment meets the requirements for equipment requisitioned for the project but use of this equipment is not mutually agreeable between the owner and the requisitioner, written justification to the Property Manager from the dissenting party or parties must be submitted through and approved by the appropriate Vice President.

2.3.9.3 If satisfactory equipment is not available, the Property Manager will approve the requisition and forward it to the Department of Purchasing. If applicable, an option to lease will be included in the procurement process for comparative purposes.

2.3.9.4 If the equipment requisitioned exceeds $5,000 and is available only from a single source, the requisitioner is responsible for obtaining prior approval of the purchase or a waiver of the prior approval option from the Graduate Studies and Research Department.

2.3.9.5 Upon award, vendors must be in compliance with Executive Order 11246 (Equal Employment Opportunity) in all orders exceeding $10,000. A written copy of the vendor's affirmative action plan on all orders exceeding $50,000 is required. Additionally, the vendor’s written assurance of compliance with the Clean Air Act of 1970 and the Federal Water Pollution Act must be obtained on all orders exceeding $100,000.

Contact for Interpretation: Department of Purchasing
GOVERNING STATUTE
Texas Education Code, 51.9335(a)-(e)

33.99.16.C1.01
CONTRACT WORKFORCE
UNIVERSITY PROCEDURES
1. GENERAL

Prior to engaging a contract workforce or contract worker using state-appropriated funds, a department shall:

1.1 Determine why and how the use of contract workers fits into the departmental staffing strategies by considering departmental mission, goals and objectives, existing future employee skills needed, compensation costs, productivity and workload.

1.2 Conduct cost/benefit analysis, if over $10,000, and

1.3 Examine prior state employment issues as described in System Regulation 25.99.03, Section 1.5 and the legal distinctions between an employee and a contract worker.

2. PROCUREMENT OF SERVICES

2.1 The procurement of contract workforce services with an anticipated value in excess of $5,000.00 shall be in accordance with University Procedure 25.99.02.C1.01. Where the expenditure of state appropriated funds will exceed $10,000.00, the department must provide justification on the requisition and prepare a cost benefit analysis.

2.2 For all purchases that qualify as contract workforce services, including Intra-System purchases, a department shall retain all supporting documentation in accordance with the System record retention schedule.

2.3 Department contract administrators have the following responsibilities:

2.3.1 Ensure that any required licensure or bonding specified in the contract is documented.

2.3.2 Ensure that the work as specified in the contract is completed and coincides with delivery dates prior to any payments being made.

2.3.3 Monitor and assess contractor performance.

2.3.4 Ensure that written documentation of the scope and character of services to be provided is comprehensive, including details such as reference and background checks to be performed, training and oversight to be provided, and lines of authority for hiring, firing, and discipline.

2.4 Termination or extension of services prior to the contractor end date will require the submission of written justification for cancellation to the Director of Purchasing.

Contact for Interpretation: Director of Purchasing
IV. GENERAL PURCHASING INFORMATION AND BIDDING PROCESS
Competitive Specification Preparation

A specification is a description of a product or service a purchaser seeks to procure, and consequently, a description of what a bidder must offer to be considered for an award. Specifications, then, are the primary means of communication between an agency and a vendor.

Specifications control the:

- quality level of the product;
- amount of competition;
- suitability of the product or service for the job to be done; and
- method of evaluation used in making an award and in determining the lowest and best bid for the purchase.

Characteristics of an Effective Specification:

♦ **SIMPLE:** Avoid unnecessary detail, but be complete enough to ensure that requirements will satisfy their intended purpose.

♦ **CLEAR:** Use terminology that is understandable to the agency and bidders. Use correct spelling and appropriate sentence structure to eliminate confusion. Avoid legalese type language whenever possible.

♦ **ACCURATE:** Use units of measure that are compatible with industry standards. All quantities and packing requirements should be clearly identified.

♦ **COMPETITIVE:** Identify at least two commercially available brands, makes, or models (whenever possible) that will satisfy the intended purpose. Avoid unneeded "extras" that could reduce or eliminate competition and increase costs.

♦ **FLEXIBLE:** Avoid totally inflexible specifications which prevent the acceptance of a bid that could offer greater performance for fewer dollars.

A bidder or contract participant may provide free technical assistance to the University. The University may not accept a bid or award a contract that includes proposed financial participation by a person who received compensation from the agency to participate in the preparation of the specifications or request for proposals on which the bid or contract is based.

These specifications should provide a clear and accurate description of the requirements for the merchandise or service to be purchased.
Specifications must be clear and understandable to the bidders. They must permit competition between products of equal quality.

Descriptions may include a statement regarding the qualitative nature of the purchase and should identify minimum essential characteristics and standards to which the purchase must conform if it is to satisfy its intended use. "Performance" requirements should be identified. "Design" or "construction" specifications may be written where minimum mandatory design characteristics are appropriate.
Multiple Award Contract Procedure

A. The University may use the multiple award contract procedure when a determination is made in the best interest of the university. In arriving at a determination, the Purchasing Department Director or designee will consider the following factors:

(1) the quality, availability, and reliability of the supplies, materials, equipment, or service and their adaptability to the particular use required;

(2) the ability, capacity, and skill of the bidder;

(3) the sufficiency of the bidder's financial resources;

(4) the bidder's ability to provide maintenance, repair parts, and service;

(5) compatibility with existing equipment;

(6) the need for flexibility in evaluating new products on a large scale before becoming contractually committed; and

(7) any other relevant factors.

B. When the university finds that one or more of the above factors is important to the contract and that objective specifications for those factors cannot be prepared, the university may determine that the multiple award contract procedure will serve the best interest of the university.

C. Bids on multiple award invitations will be evaluated as are other bids under the Bid Evaluation and Award section, except that more than one award may be made. The basis for determining awards shall be reasonably related to the factors relied upon in using the multiple award contract procedure and shall be disclosed in the bid invitation.
Preferences

A. Claiming a preference. To claim a preference, a bidder shall mark the appropriate box on the face of the bid invitation. If the appropriate box is not marked, a preference will not be granted unless other documents included in the bid show a right to the preference.

B. Preferences.

1. Texas resident bidders.

(a.) A Texas resident bidder shall be given preference over a nonresident bidder when the cost, and quality of the goods or services are equal.

(b.) The university may award a contract to a nonresident bidder only if its bid is lower than the lowest bid submitted by a responsible Texas resident bidder by the same amount that a Texas resident bidder would be required to underbid the nonresident bidder to obtain a comparable contract in the state where the nonresident's principal place of business is located. In evaluating a bid of a nonresident bidder, an amount will be added equal to the amount a Texas resident bidder would be required to underbid a nonresident bidder to obtain a comparable contract in the state where the nonresident bidder's principal place of business is located, otherwise known as reciprocal preference. After the amount is added, an award may be made to the nonresident bidder if it is determined to have the lowest price and best bid. The amount added is for evaluation purposes only; in no event shall an amount be awarded in excess of the amount actually bid.

2. Texas and United States products.

(a.) Supplies, materials, or equipment produced in Texas shall be given preference over comparable goods produced outside Texas when the cost and quality of the goods are equal. Supplies, materials, and equipment are considered to be produced in Texas if they are manufactured in Texas; "manufactured" does not include the work of packaging or repackaging.

(b.) Agricultural products grown in Texas shall be given preference over comparable products grown outside Texas when the cost and quality of the goods are equal. Agricultural products are considered grown in Texas if they contain any amount grown in Texas. In case of tie bids between agricultural products claiming the preference, the bidder whose product contains the greatest percentage of the product grown in Texas will prevail. For purposes of this
products include, among other things, textiles and fiber products, processed and unprocessed foods, feed, lumber and forestry products, live animals, plants, flowers, and nursery stock.

(c.) Supplies, materials, equipment, or agricultural products produced or grown in the United States shall be given preference over foreign products when the cost and quality are equal. Supplies, materials, equipment, or agricultural products produced or grown in Texas shall be given preference over United States products when the cost and quality are equal.

3. Products of persons with mental or physical disabilities. A preference shall be given to manufactured products of workshops, organizations, or corporations whose primary purpose is training and employing persons with mental or physical disabilities, if the products meet state specifications as to quantity, quality, and price. Competitive bids are not required for purchases of blind-made goods or services offered as a result of efforts by the Texas Council on Purchasing from People with Disabilities, if the goods or services meet state specifications as to quantity, quality, price, delivery, life cycle costs, and costs no more than the fair market price of similar items.

4. Recycled, remanufactured or environmentally sensitive products. A preference shall be given to recycled, remanufactured or environmentally sensitive products if the products meet state specifications as to quantity, quality, price, and defined best value factors.

5. Energy efficient products. A preference shall be given to energy efficient products if they meet state requirements as to quantity and quality, and are equal to or less than the cost of other products offered. This preference shall be applied by evaluating the energy use of the products offered and considering the costs of such energy use over the expected life of the equipment. The methodology for evaluating energy use and costs shall be included in the bid invitation.

6. Rubberized asphalt paving material. A preference shall be given to rubberized asphalt paving material made from scrap tires by a facility in this state if the cost, as determined by life-cycle cost benefit analysis, does not exceed the bid cost of alternative paving materials by more than 15%.

7. Recycled motor oil and lubricants. A preference shall be given to motor oils and lubricants that contain at least 25% recycled oil if the quality is comparable and the cost is equal to or less than new oil and lubricants.
Bid Submission, Bid Opening, and Tabulation

A. Bid submission

1. Prospective bidders may request specific bid invitations from the Purchasing Department at any time prior to the bid opening.

2. A bidder may withdraw its bid by written request at any time prior to the bid opening date and hour.

3. A bid received after the time and date established by the bid invitation is a late bid and will not be considered.

4. A bid received which does not contain adequate bid identification information on the outside of the envelope will be opened to obtain such information and will then be processed as any other bid. If the incorrect information on the envelope causes the bid not to be considered in making an award, the bid will be considered invalid and rejected.

5. Bids may be submitted by facsimile (fax). The telephone number for fax bid submission will be identified in the solicitation; no other number may be used for bid submission. Bids submitted by fax need not be confirmed in writing, but must comply with all legal requirements applicable to formal bids. If all or any portion of a bid submitted by fax is received late, is illegible, or is otherwise rendered non-responsive due to equipment failure or operator error, the bid or the applicable portion of the bid will not be considered. The university shall not be liable for equipment failure or operator error, nor will such failure or error require other bids to be rejected or the bid invitation to be re-advertised. A bid that is received in the memory of a fax machine, prior to the bid opening time, will be considered valid. The official time for receipt of bids will be determined by the activity report printed by the fax machine.

6. Bids by telegram are not allowed.

7. An unsigned bid is not valid and will be disqualified.

8. A bidder or a department may request, in person at the bid opening, that bids be read aloud. No bid shall be required to be read aloud at any time other than during regular working hours and days.
9. When formal bids are required, bids may not be taken or accepted by telephone, email etc. unless specified within the bid document or instructions.

10. If an error is discovered in a bid invitation, or departmental requirements change prior to the opening of a bid, the Purchasing Department will transmit an addendum correcting or changing the specifications to all bidders originally listed on the transmission list for that bid invitation. Bids will not be rejected for failure to return the addendum with the bid, if the change is noted on the bid or the product or service specification would not be changed by the addendum.

11. By signing and submitting a bid to the Purchasing Department or to a department acting under delegated purchasing authority, a bidder affirms that it has not given or offered any economic opportunity, employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the bid, and that it does not intend to give or offer any of the foregoing in the future. Signing a bid with a false statement shall void the bid and any resulting contract, and the bidder shall be removed from all future solicitations.

B. Bid opening and tabulation.

1. All bid openings conducted by the Purchasing Department shall be open to the public.

2. Bid opening dates may be changed and bid openings rescheduled if bidders are notified in advance of the new opening date.

3. If a bid opening is canceled, all bids will be returned to the bidders.

4. All bid tabulation files are available for public inspection. Bid tabulations may be reviewed by any interested person during regular working hours at the offices of the Purchasing Department. Employees of the university are not required to give bid tabulation information by telephone.
Bid Evaluation and Award

C. Bid evaluation.

1. The university may accept or reject any bid or any part of a bid or waive minor technicalities in a bid, if doing so would be in the university’s best interest.

2. A bid price may not be altered or amended after bids are opened except to correct mathematical errors in calculation of units x unit price.

3. No increase in price will be considered after a bid is opened. A bidder may reduce its price provided it is the lowest and best bidder and is otherwise entitled to the award.

4. Bid prices are considered firm for acceptance for 30 days from the bid opening date for bid solicitations and 60 days for proposal solicitations, unless otherwise specified in the invitation for bids.

5. A bid containing a self-evident error may be withdrawn by the bidder prior to an award.

6. Bid prices which are subject to unlimited escalation will not be considered. A bidder may offer a predetermined limit of escalation in his bid and the bid will be evaluated on the basis of the full amount of the escalation.

7. A bid containing a material failure to comply with the advertised specifications shall be rejected.

8. All bids must be based on "F.O.B. destination – freight included" delivery terms unless otherwise specified.

9. If requested in the invitation for bids, samples must be submitted or the bid will be rejected. The university will require samples only when essential to the assessment of product quality during bid evaluation. Samples for non-winning bids shall be returned to the bidder, whenever practicable, at the bidder’s expense. Otherwise, samples will be disposed of in the same manner as surplus or salvage property.
10. When brand names are specified, bids on alternate brands will be considered if they otherwise meet specification requirements.

11. Cash discounts are acceptable but are not considered in making an award. All cash discounts offered will be taken if they are earned by the university.

12. No electrical item may be purchased unless the item meets applicable safety standards of the federal Occupational Safety and Health Administration (OSHA).

D. Award.

1. All awards shall be made to the bidder complying with the best value criteria stated in the bid document and conforming to the advertised product or service specifications. In determining which bidder is offering the best value, the university shall consider price and may consider and evaluate the factors comprising the best value criteria as may be set forth in the bid.

2. Best Value Factors.
   The university may consider the following factor(s) in determining best value:
   (a) Any installation costs;
   (b) The delivery terms;
   (c) The quality and reliability of the vendor's goods or services;
   (d) The extent to which the goods or services meet the agency's needs;
   (e) Indicators of probable vendor performance under the contract such as past vendor performance, the vendor's financial resources and ability to perform, the vendor's experience and responsibility, and the vendor's ability to provide reliable maintenance agreements;
   (f) The impact on the ability of the university to comply with laws and rules relating to Historically Underutilized Businesses or relating to the procurement of goods and services from persons with disabilities;
   (g) The total long-term cost to the university of acquiring the vendor's goods or services;
(h) The cost of any employee training associated with the acquisition;

(i) The effect of an acquisition on university productivity;

(j) The acquisition price; and

(k) Any other factor relevant to determining the best value for the university in the context of a particular acquisition that is sufficiently described in a solicitation instrument.

E. Vendor Performance Checklist

Certain information regarding vendor’s character must be verified. Purchasers must check the following information prior to awarding a contract to a vendor:

1. Excluded Parties List System (EPLS) – Purchasers shall not award contracts to vendors who have been barred from contracting by the Federal Government. You can view a list of barred vendors on the EPLS website at http://www.epls.gov/

2. Debarred Vendor List – Purchasers shall not award contracts to vendors who have been barred from participating in state contracting opportunities. You can view a list of barred vendors on TPASS’ website at http://www.window.state.tx.us/procurement/prog/vendor_performance/debarred/

3. Comptroller Tax Hold – Purchasers must check a vendor’s tax status on the Comptroller’s website at http://ecpa.cpa.state.tx.us/coa/Index.html. If a vendor is on tax hold, you should call the vendor and ask them to resolve their account with the Comptroller of Public Accounts. You are not prohibited from issuing contracts based on a vendor’s tax status. (Only applies to procurement card purchases over $150.)

4. Prior Vendor Performance – If specified in the solicitation document, purchasers must check vendor past performance history through TPASS’ Vendor Performance Tracking System. For more information regarding this system, please see TPASS’ website at http://www.window.state.tx.us/procurement/prog/vendor_performance/debarred/

(a) In any procurement conducted under the requirements of the Bid Evaluation and Award section, the university must identify the specific factors to be analyzed in determining best value. The selection of best value criteria must be tailored to the specific needs of the university and must not necessarily limit competition or discourage the achievement of university procurement objectives.

(b) Every purchase of goods or services conducted in accordance with the requirements of the Bid Evaluation and Award section must include consideration of price as a factor.

(c) The university must publish notice of the specific criteria to be employed by the university in determining best value. The notice may be published in the solicitation instrument, public notice, or public announcement of a proposed procurement of goods or services.

CENTRALIZED MASTER BIDDERS LIST

A. TPASS (Texas Procurement & Support Services) maintains the Centralized Master Bidders List (CMBL) of the names and addresses of vendors that have applied and have been accepted for inclusion on the CMBL. The CMBL is maintained for the state's use in obtaining competitive bids for purchases and for registering vendors who wish to be designated as qualified information systems vendors. No vendor will be placed on the CMBL to receive bid invitations for information purposes only. Bid invitations and requests for proposals may be transmitted to vendors on the CMBL for solicited commodities and/or services. The web site can be found at [http://www2.cpa.state.tx.us/cmbl/cmblhub.html](http://www2.cpa.state.tx.us/cmbl/cmblhub.html).

B. An error in addressing a bid invitation or request for proposal or a failure of the post office to deliver the solicitation will not be sufficient reason to require the university to reject all other bids or proposals.

C. TAMU-CC will use the CMBL for selecting bidders for bid solicitations but may also supplement the CMBL with vendors having the known ability to supply the product(s) requested.
COMPETITIVE SEALED PROPOSALS

TAMU-CC may use the process established in the Texas Government Code, Chapter 2156 for the acquisition of goods and services by the competitive sealed proposal process.
V.
GLOSSARY
Glossary of Definitions

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

1. **Approved products list**—The list is also referred to as the "approved brands list" or "qualified products list". This is a specification developed by the evaluation of brands and models of various manufacturers and listing those determined to meet the minimum level of quality. Testing is completed in advance of procurement to determine which products comply with the specifications and standards requirements.

2. **Award**—The act of accepting a bid, thereby forming a contract between the university and a bidder.

3. **Best Value**—The optimum combination of economy and quality that is the result of fair, efficient, and practical procurement decision-making and which achieves the procurement objectives of TAMU-CC.

4. **Bid**—An offer to contract with the university, submitted in response to a bid invitation issued by the Purchasing Department.

5. **Bid deposit**—A deposit required of bidders to protect the university in the event a low bidder attempts to withdraw its bid or otherwise fails to enter into a contract with the university. Acceptable forms of bid deposits are limited to: cashier’s check, certified check, Texas A&M University System Bid Bond (Form C-2), or irrevocable letter of credit issued by a financial institution subject to the laws of Texas and entered on the United States Department of the Treasury's listing of approved sureties; a surety or blanket bond from a company chartered or authorized to do business in Texas.

6. **Bid sample**—A sample required to be furnished as part of a bid, for evaluating the quality of the product offered.

7. **Bidder**—An individual or entity that submits a bid. The term includes anyone acting on behalf of the individual or other entity that submits a bid, such as agents, employees, and representatives.

8. **Brand name**—A trade name or product name which identifies a product as having been made by a particular manufacturer.

9. **Centralized master bidders list (CMBL)**—A list maintained by the Commission containing the names and addresses of prospective bidders and qualified information systems vendors.

11. **Commodity** – Any good or service to be purchased

12. **Debarment**—An exclusion from contracting or subcontracting with state agencies and TAMUS on the basis of any cause set forth in Texas Administrative Code §113.102 (relating to Vendor Performance and Debarment), commensurate with the seriousness of the offense, performance failure, or inadequacy to perform.

13. **Director**—The director of a Purchasing Department for a university.

14. **Distributor purchase**—A purchase of repair parts for a unit of major equipment that are needed immediately or for maintenance contracts on laboratory/medical equipment.

15. **Emergency purchase**—A purchase of goods or services so badly needed that the university will suffer financial or operational damage unless the items are secured immediately.

16. **Environmentally sensitive products**—Products that protect or enhance the environment, or that damage the environment less than traditionally available products.

17. **Equivalent product**—A product that is comparable in performance and quality to the specified product.

18. **Escalation clause**—A clause in a bid providing for a price increase under certain specified circumstances.

19. **Formal bid**—A written bid submitted in a sealed envelope in accordance with a prescribed format, or an electronic data interchange transmitted to the university in accordance with procedures established by the university.

20. **Group purchasing program**—A purchasing program that offers discount prices to two or more state agencies, institutions of higher education or other public entities.

21. **HUB – Historically Underutilized Business.** A small minority or woman owned business.

22. **Informal bid**—An unsealed, competitive bid submitted by letter, telephone or other means.

23. **Invitation for bids (or IFB)**—A written request for submission of a bid; also referred to as a bid invitation.
24. **Late bid**--A bid that is received at the place designated in the bid invitation after the time set for bid opening.

25. **Level of quality**--The ranking of an item, article, or product in regard to its properties, performance, and purity.

26. **Manufacturer's price list**--A price list published in some form by the manufacturer and available to and recognized by the trade. The term does not include a price list prepared especially for a given bid.

27. **Multiple award contract procedure**--A purchasing procedure by which the Purchasing Department establishes one or more levels of quality and performance and makes more than one award at each level.

28. **Non-competitive purchase**--A purchase of goods or services that does not exceed the amount stated in the university rule or delegation of authority (relating to Delegated Purchases).

29. **Notice of award**--A letter signed by the director or his designee, which awards and creates a contract.

30. **Performance bond**--A surety bond which provides assurance of a bidder's performance of a certain contract. The amount for the performance bond shall be based on the bidder's annual level of potential monetary volume with the university. Acceptable forms of bonds are those described in the definition for "bid deposit".

31. **Post-consumer materials**--Finished products, packages, or materials generated by a business entity or consumer that have served their intended end uses, and that have been recovered or otherwise diverted from the waste stream for the purpose of recycling.

32. **Pre-consumer materials**--Materials or by-products that have not reached a business entity or consumer for an intended end use, including industrial scrap material, and overstock or obsolete inventories from distributors, wholesalers, and other companies. The term does not include materials and by-products generated from, and commonly reused within, an original manufacturing process or separate operation within the same or a parent company.

33. **Proprietary**--Products or services manufactured or offered under exclusive rights of ownership, including rights under patent, copyright, or trade secret law. A product or service is proprietary if it has a distinctive feature or characteristic which is not shared or provided by competing or similar products or services.
34. **Public bid opening**--The opening of bids at the time and place advertised in the bid invitation, in the presence of anyone who wishes to attend. On request of any bidder or department in attendance, bids will be read to the assembled group.

35. **Purchase orders (PO)**--A document detailing the specifications, terms and conditions of goods or services being offered to purchase to a supplier.

36. **Purchasing functions**--The development of specifications, receipt and processing of requisitions, review of specifications, advertising for bids, bid evaluation, award of contracts, and inspection of merchandise received. The term does not include invoice, audit, or contract administration functions.

37. **Qualified information systems vendor catalogue proposal**--A request for offers or quotations of prices from catalogue vendors (QISV).

38. **Recycled material content**--The portion of a product made with recycled materials consisting of pre-consumer materials (waste), post-consumer materials (waste), or both.

39. **Recycled materials**--Materials, goods, or products that contain recyclable material, industrial waste, or hazardous waste that may be used in place of raw or virgin materials in manufacturing a new product.

40. **Recycled product**--A product that meets the requirements for recycled material content as prescribed by the rules established by the Texas Natural Resource Conservation Commission in consultation with the Commission.

41. **Remanufactured product**--A product that has been repaired, rebuilt, or otherwise restored to meet or exceed the original equipment manufacturer's (OEM) performance specifications; provided, however, the warranty period for a remanufactured product may differ from the OEM warranty period.

42. **Request for proposal (RFP)**--A written request for offers concerning goods or services the university intends to acquire by means of the competitive sealed proposal procedure.

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

44. **Responsible vendor**--A vendor who has the capability to perform all contract requirements in full compliance with applicable state law, ethical standards, and applicable university rules.

45. **Reverse auction**--A bidding process that allows bidders to view previously submitted bid prices and allows for the re-submittal of bid pricing for a specified period of time.
46. **Sealed bid**—A formal written bid which is opened in accordance with the bid/proposal instructions.

47. **Solicitation**—An invitation for bids or a request for proposals.

48. **Specification**—A concise statement of a set of requirements to be satisfied by a product, material or service, indicating whenever appropriate the procedures to determine whether the requirements are satisfied.

49. **Standard specification**—A description of what the purchaser requires and what a bidder or proposer must offer.

50. **Successor-in-interest**—Any business entity that has ownership similar to a business entity. For purposes of the Procurement Code (relating to Vendor Performance and Debarment), it shall be presumed that a business entity that employs, or is associated with, any partner, member, officer, director, responsible managing officer, or responsible managing employee, of a business entity that was previously debarred is a successor-in-interest.

51. **TPASS**—Texas Procurement and Support Services.

52. **Tabulation of bids**—The recording of bids and bidding data for purposes of bid evaluation and record keeping.

53. **Testing**—An element of inspection involving the determination, by technical means, of the properties or elements of item(s) or university(s), including function operation.

54. **Texas uniform standards and specification**—Standards and specifications prepared and published by the standards and specifications program of the Commission.

55. **Total expenditures on products with recycled material content, remanufactured products, and environmentally sensitive products**—The total direct acquisition costs (vendor selling price plus delivery costs) of all such products.

56. **Uniform standards and specifications**—Specifications and standards developed by nationally recognized standards-making associations.

57. **Unit price**—The price of a selected unit of a good or service, e.g., price per ton, per labor hour, or per foot.

58. **University**—An agency, university or health science center within The Texas A&M University System.

59. **Vendor**—A supplier of goods or services to the state.
APPENDIX
(FORMS)
Design & Construction Services

BUILDING MODIFICATION REQUEST FORM

College/Department: __________________________ BM# Assigned: __________________________

Building: __________________________ Room No.: __________________________

Initiator: __________________________ Phone No.: __________________________

User/Coordinator: __________________________ Phone No.: __________________________

Requested Completion Date: ____________ Today's Date: ____________

Anticipated Funding Source: __________________________

STEP I - CONCEPT APPROVAL

Scope of Work (to be completed by Initiator):

CONCEPT APPROVED FOR AN ESTIMATE (Routing: Submit in order noted)

1. Department Head __________________________ Approve ☐ Disapprove ☐ Date: ____________

2. Dean/Director __________________________ Approve ☐ Disapprove ☐ Date: ____________

STEP II - ESTIMATE and COMMENTS (Routing: Submit in order noted)

Estimated Cost: $__________ Estimated Time To Completion: ________ Calendar Days, if Approved by: ________

(Estimates are valid for 45 days from date of signature of Director, Physical Plant)

3. Director, Physical Plant __________________________ Approve ☐ See Comments ☐ Date: ____________

4. Initiator __________________________ Approve ☐ See Comments ☐ Date: ____________

Comments:

STEP III - PROJECT APPROVAL (Routing: Submit in order noted)

5. Dean/Director __________________________ Approve ☐ Disapprove ☐ Date: ____________

6. Appropriate Vice President __________________________ Approve ☐ Disapprove ☐ Date: ____________

7. Executive Vice President Finance & Administration __________________________ Date: ____________

8. Controller: __________________________ Date: ____________

Account Name: __________________________ Acct. #: __________________________ Total Funds: $__________

PROJECT STARTED: __________________________ PROJECT COMPLETED: __________________________

PROJECT MANAGER: __________________________ FINAL PROJECT COST: $__________

TAMU-CC Form C-I

Completion Instructions on Back
For processing in the current fiscal year, small-scale projects (below $10,000) must be submitted for approval prior to May 1st, and large-scale projects (above $10,000) must be submitted prior to April 1st.

**COMPLETION INSTRUCTIONS**

The Building Modification Request form is to be used for alteration, renovation or modification to existing rooms or building systems. The form is to be completed by the Initiator with the following information:

- **College/Department** of the Initiator.
- **Building** in which the project is to occur.
- **Initiator’s Name**.
- **Name of User/Coordinator** if different than the Initiator.
- **Requested Completion Date**.
- **Anticipated Funding Source**.
- **Bldg.Mod. #** will be assigned by Physical Plant.
- **Room Number** of area included in the project.
- **Phone Number** of Initiator.
- **Phone Number** of User/Coordinator.
- **Today's Date**.

**STEP I - CONCEPT APPROVAL**

**Scope of Work:** In the area provided, please describe the work to be completed with as much detail as possible. If additional space is needed, please attach additional pages to this document. After completing this section, forward the Request Form to your Department Head. Physical Plant will not provide an estimate until the project concept is approved.

**Concept Approved for an Estimate:** If the concept is approved by the Department Head, they will forward the form to your Dean/Director for Concept Approval. If the Dean/Director approves of the concept, they will forward the form to the Director of Physical Plant for estimation.

**STEP II - ESTIMATE and COMMENTS** (No Charge)

Physical Plant is responsible for verifying all data and pulling together all estimated costs for the project. The Director of Physical Plant will review the estimate, make appropriate comments, and forward the request form with cost and time estimate back to the Initiator (due to Vendor quotes, Cost and Time Estimates are valid for only 45 days). If the Initiator approves these estimates, they will forward it to their Dean/Director for project approval.

**STEP III - PROJECT APPROVAL PROCESS** (10% Project Management Charge)

Once the Dean/Director approves the estimate, they forward the request form to their Vice President. If the Vice President approves of the project at the cost and time estimated, they will forward it to the Executive Vice President for Finance and Administration. Upon project approval, the form is sent to the Comptroller for assignment of appropriate account number and project budget. The Comptroller will return the form to the Physical Plant for project assignment and scheduling. If the approval process is completed within the 45-day time limit, Physical Plant will notify the Initiator of project approval and provide appropriate information on the project until it is completed. If the approval process is not completed within the 45-day time limit, the project must be resubmitted for an updated estimate. The official project start date is the day project funds are made available to the approved project by the Comptroller.

Should the project concept, or the estimate not be approved at any point in the review/approval process, the initiator will be informed and the project will be closed.
Justification of Sole Source Purchases

QUESTIONNAIRE

This questionnaire has been designed by the Purchasing Department to aid the faculty and staff in relating information necessary in the processing of requisitions on a sole source purchase basis. Your cooperation in answering the questions listed below will assist us in handling orders expeditiously.

1) Is this item required for use in
   research?_____ classroom?_____ lab?_____ other?_____

2) What features or functions are proprietary to this item? How are these dimensions or performance characteristics essential to the accomplishment of your work?

3) List any company other than your suggested source who manufactures a similar item or manufactures an item with similar functions.

4) Why won't these competing products be satisfactory?

5) Will the item be used with existing equipment? ____Yes ____No
   If yes,
   - as a repair/replacement part? ____Yes ____No
   - as a component to be interfaced with the existing equipment? ____Yes ____No
     Give Brand and Model number of existing equipment.
     - as an accessory or option? ____Yes ____No
     - to match existing equipment? ____Yes ____No
     - for reasons of interchangeability? ____Yes ____No
     - will installation be required? ____Yes ____No

6) Give any additional information you feel may aid the buyer in processing this requisition.

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

NAME (PRINT): __________________________________________
SIGNATURE: __________________________________________
PHONE NUMBER: _______________________________________

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EMERGENCY JUSTIFICATION

This questionnaire has been designed to assist faculty and staff in providing information necessary in the processing of emergency requisitions for the purchase of products or services. Please complete and forward to the [Purchasing Office]. If more space is needed, please attach additional page(s).

REQUISITION NO.:__________________________________________________

1. State the reason for the emergency purchase by explaining what the emergency is and what caused the emergency situation:
________________________________________________________________________________
_______________________________________________________________________________________
__________________________________________________________________

2. State the facts that lead to the conclusion that financial or operational damage or risk of damage will occur if needs are not satisfied immediately (do not simply say there will be damage or risk of damage):
________________________________________________________________________________
_______________________________________________________________________________________
__________________________________________________________________

3. State why the needs were not or could not be anticipated so that goods or services could not have been purchased following standard procedures:
________________________________________________________________________________
_______________________________________________________________________________________
__________________________________________________________________

4. State the reason and process used for selecting the vendor (Attach all quotes/proposals received from other sources, if applicable):
________________________________________________________________________________
_______________________________________________________________________________________
__________________________________________________________________

I certify that the above statements are true and correct, and that no other material fact or consideration offered or given has influenced this recommendation for an emergency procurement.

Submitted By: ________________________________  ________________________________
Printed/Typed Name & Title  Department

____________________________  ________________
Authorized Signature  Date  Phone Number

PURCHASING USE ONLY

Approved By: ________________________________  ________________________________
Buyer (up to $15,000)  Asst. Director of Purchasing (up to $100,000)

____________________________
Director of Purchasing
Texas A&M University-Corpus Christi

**CONTRACT/AGREEMENT**

| 1. Vendor/Contractor Name: | 2. Total Amount of Contract: _________ For Vendor and/or Other Vendors _________ _________ |
| Address: | |

| 3. * Vendor Identification No. or Last 4 Digits of SS # | 4. Account No.: |
| 5. P.O. No. Or Requisition No.: |
| Object Code: |

| 6. Dates to be Contracted: (mm/dd/yy): Start: End: |

| 7. Type of Contract Work: (Check all that apply and put in FAMIS) |
| Temporary Employment Services 5620 |
| Professional Services Contract (Architects, Engineer’s fees) 5450 or 5451 |
| Professional Services with receipts (ex. Travel) 5460 |
| Other Professional Services 5453 |
| Educational/Training Services 5410 |
| Consultant(s) 5350 (only if Studies & Advises) |
| Lecturer 5434 with receipts (ex. Travel) (no 20 factor test required) |
| Lecturer 5435 (no 20 factor /test required) |
| Other Contracted Services (ex: cleaning services) 5670 |
| Describe: ___________________________________________________________ |

| 8. Reason for using contract workforce instead of TAMU-CC workforce: (check all that apply and put in FAMIS) |
| Temporarily peak in work requiring additional staff |
| Additional workload caused by job vacancies/absences |
| Labor intensive special project |
| Cost reduction/savings |
| Highly specialized duties |
| Productivity will be increased |
| Lack of qualified applicants |
| Ensure objectivity/avoid conflict of interest |
| Other conditions |

| 9. Description of Services to be rendered: (Attach separate page if necessary) |

| 10. Expected Results and Information of Services Performed: (Attach separate page if necessary) |

| 11. Basis for Lump Sum Determination: Refer to Page 2 to enter detail costs |

| 12. Dispute Resolution Process: The dispute resolution process provided for in Chapter 2260 of the Texas Government Code must be used by Texas A&M University-Corpus Christi and contractor to attempt to resolve all disputes arising under this contract. The designated individual at the University for examining any claim or counterclaim and conducting any negotiations related thereto as required under Chapter 2260.053 Subtitle F, Title 10 of the Government Code shall be the Director of Purchasing. |

| 13. Must be filled out or will be returned back to department. |
| Are you a state employee? Yes No 13b. If “yes” Are you on state time while acting under this contract? Yes No If you answer “Yes” to #13b, see Human Resources, you may not contract for additional compensation. |

| 14. Must be filled out or will be returned back to department. |
| Have you been employed with Texas A&M Systems or any of its components within past 12 months? Yes No Note: System Regulation 25.99.03 Contracting for External Consultants and Professional Services 1.6. Prior Employment with State Agencies or Institutions 1.6.1 None of the funds appropriated (State) to the System or any of its components may be used to enter into a consultant or professional services contract with any individual who has been employed by the System within the past 12 months. **If you answer “Yes” and using State Funds to #14, then you must go through Human Resources to process payment. |

| Signatures: |

| 15. Vendor/Contractor Date |

| 16. University Department Head Approval or Designee Date |

| 17. Judy Harral, Director of Purchasing (Required if greater than $5000) Date |

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11. **Page 2 of TAMU-CC for detail Costs:**

**SERVICES COMPENSATION:**

Number of Hours \( \underline{\text{______________}} \) @ \( \underline{\text{______________}} \) rate = \( \underline{\text{______________}} \)

or

Lump Sum Payment: \( \underline{\text{______________}} \)

**TRAVEL COMPENSATION: Using object code 5460 or 5434**

NOTE: Meals can be paid as per diem and without receipts as long as this section has it indicated and it does not exceed the daily allowance as per the State of Texas Travel Program rates. No tips or alcohol are reimbursed. The amounts on this section can be modified or changed by department after the original receipts have been submitted. The department is to draw a line through the original amount, write the correct amount next to it and sign by amount.

NOTE: Employee object codes 3XXX are not allowed on this form.

<table>
<thead>
<tr>
<th>Estimated Amounts</th>
<th>Vendor Reimbursed</th>
<th>* Direct Billed to University</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airfare:</td>
<td>( \underline{\text{______________}} )</td>
<td>( \underline{\text{______________}} )</td>
</tr>
<tr>
<td>Hotel:</td>
<td>( \underline{\text{______________}} )</td>
<td>( \underline{\text{______________}} )</td>
</tr>
<tr>
<td>Meals:</td>
<td>( \underline{\text{______________}} )</td>
<td>( \underline{\text{______________}} )</td>
</tr>
<tr>
<td>Rental Car:</td>
<td>( \underline{\text{______________}} )</td>
<td>( \underline{\text{______________}} )</td>
</tr>
<tr>
<td>Mileage:</td>
<td>( \underline{\text{______________}} )</td>
<td>( \underline{\text{______________}} )</td>
</tr>
<tr>
<td>Parking:</td>
<td>( \underline{\text{______________}} )</td>
<td>( \underline{\text{______________}} )</td>
</tr>
<tr>
<td>Other:</td>
<td>( \underline{\text{______________}} )</td>
<td>( \underline{\text{______________}} )</td>
</tr>
<tr>
<td>Total: ( $ \underline{\text{______________}} )</td>
<td>( $ \underline{\text{______________}} )</td>
<td></td>
</tr>
</tbody>
</table>

**OTHER EXPENSES COMPENSATION: Using object code 5460 or 5434**

NOTE: Receipts must be submitted for all payments. No overhead of calculation charges allowed.

<table>
<thead>
<tr>
<th>Estimated Amounts</th>
<th>Vendor Reimbursed</th>
<th>* Direct Billed to University</th>
</tr>
</thead>
<tbody>
<tr>
<td>Photocopies:</td>
<td>( \underline{\text{______________}} )</td>
<td>( \underline{\text{______________}} )</td>
</tr>
<tr>
<td>Supplies:</td>
<td>( \underline{\text{______________}} )</td>
<td>( \underline{\text{______________}} )</td>
</tr>
<tr>
<td>Postage:</td>
<td>( \underline{\text{______________}} )</td>
<td>( \underline{\text{______________}} )</td>
</tr>
<tr>
<td>Delivery/Courier:</td>
<td>( \underline{\text{______________}} )</td>
<td>( \underline{\text{______________}} )</td>
</tr>
<tr>
<td>Other:</td>
<td>( \underline{\text{______________}} )</td>
<td>( \underline{\text{______________}} )</td>
</tr>
<tr>
<td>TOTAL: ( $ \underline{\text{______________}} )</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Description</td>
<td>Amount</td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>-----------------------------</td>
<td></td>
</tr>
<tr>
<td>Total Amount of Contract:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Breakdown:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For Vendor / Contractor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other than Vendor</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This section is for amount to pay directly to vendor/contractor. *This section is for any direct payment to other vendor. (ex: direct bill for hotel or airfare)
Instructions for Completing the Texas A&M University-Corpus Christi  
CONTRACT/AGREEMENT FORM

This form is to be used when the company/person does not have a contract form. If services are a lump sum payment, contract form can be used as invoice too.

1. **Vendor/Contractor Name and Address**: Name and address of the vendor or contractor.

2. **Amount of Contract**: Total amount of contract award. Please specify on contract agreement whether expenses are billed by the vendor or paid to the other vendor (hotels, Airlines, CBA (Central Bill Account), or rented companies).

3. **Vendor Identification Number**: If using vendor identification number, enter the last four (4) digits. If vendor is to be paid by Social Security Number just enter the last four (4) digits. If you go into FAMIS and cannot locate vendor identification number, contact Accounts Payable at ext. 5780. If using Social Security Number for the vendor or contract worker, you must submit 20 factor checklist (if applicable service used) when paying with a Social Security Number. This checklist can be found on the purchasing website under forms. (Twenty Factors Relationships checklist)

4. **Account No. and Object Code**: Enter the appropriate account number and object code. (Use the new blue object code chart handout.) Lectures do not require a twenty factor test since this is considered a one time event. For object code 5460, please refer to page 2 under Travel & Other Expenses Compensation.

5. **P.O. No. or Requisition Number**: Enter the appropriate purchase order number if under $5,000 a limited, if over $5,000 put requisition number and submit to purchasing

6. **Dates to be Contracted**: Date of actual award and length of contract.

7. **Type of Contract Work**: Must identify type of contract work that is being performed. The text numbers are for the Purchasing Department to enter into FAMIS. Only use the word consultant for the following definitions: Consult Services: the service of studying or advising a state agency under a contract that does not involve the traditional relationship of employer and employee. The term does not include services connected with the routine work necessary to the functioning of TAMU-CC programs. The key words are “studying” and “advising” rather than “performing”. NOTE: If consulting services are over $25,000 you must have Presidents approval. The text numbers are for the Purchasing Department to enter into FAMIS.

8. **Reason for Contract Workforce**: Must be able to justify why contract worker is requested. State appropriated funds of over $10,000 must submit additional form, “Contract Workforce Analysis”, which can be found on the Purchasing website under Online Forms.

9. **Description of Service**: Give statement of services to be rendered. Note: Must be more than one sentence.

10. **Expected Results and Information of Services Performed**: What will be the results obtained after these services are performed.

11. **Basis for Lump Sum Determination**: Document how you came up with this dollar figure or hourly rate. Provide example of formula.

12. **Dispute Resolution**: This statement is a Texas government code requirement and is mandatory in any contract.

13. **System Policy** in regards to current employee vs. a contract worker. If you are a state employee and on state time, you must go through Human Resources to be paid as an employee. Note if you have an employee of the State of Texas, they must be paid for travel on a travel form. State employee’s fee can be used on this form but not travel.

14. **Prior State Employment Verification**: If you have been employed with Texas A&M University or any of its components within the past 12 months and using state funds, then you must go through Human Resources to process payment.

15. **Signature** required by person performing the work under $500 does not require signature, put N/A.

16. **Department Head/Business Coordinator** or person responsible for overseeing the contract.

17. **Purchasing Director** or her designee, only if over $5,000 otherwise department head or designee can approve and sign.

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## TWENTY FACTOR FORM
### Determination of Employee vs. Independent Contractor

Under the common law test, a worker is an employee if the purchaser of that worker’s service has the right to direct or control the worker, both as to the final results and as to the details of when, where and how the work is done. Control need not actually be exercised; rather, if the service recipient has the right to control, employment may be shown.

The weight given to a factor is not always constant from case to case, because the importance assigned each factor may vary depending on the occupation or on the facts of that particular case.

If an employment relationship exists, it is of no consequence that the employee happens to be called something else, such as partner, agent, co-adventurer, contract laborer, subcontractor, or independent contractor.

Name of Consultant/Independent Contractor: ____________________________________________

<table>
<thead>
<tr>
<th>RULE</th>
<th>EMPLOYER RELATIONSHIP</th>
<th>APPLIES</th>
<th>INDEPENDENT CONTRACTOR RELATIONSHIPS</th>
<th>APPLIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance with Instructions</td>
<td>An Employee receives instructions about when, where, and how the work is to be performed.</td>
<td>An Independent Contractor does the job his or her own way with few, if any, instructions as to the details or methods of the work.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td>Employees are often trained by a more experienced employee or are required to attend meetings or take training courses.</td>
<td>An Independent Contractor uses his or her own methods and thus need not receive training from the purchaser of those services.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integration</td>
<td>Services of an Employee are usually merged into the firm’s overall operation; the firm’s success depends on those Employee services.</td>
<td>An Independent Contractor’s services are usually separate from the client’s business and are not integrated or merged into it.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services Rendered Personally</td>
<td>An Employee’s services must be rendered personally; Employees do not hire their own substitutes or delegate work to them.</td>
<td>A true Independent Contractor is able to assign another to do the job in his or her place and need not perform services personally.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hiring, Supervising &amp; paying helper</td>
<td>An Employee may act as a foreman for the employer but, if so, helpers are paid with the employer’s fund.</td>
<td>Independent contractors select, hire, pay and supervise any helpers used and are responsible for the results of the helpers’ labor.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuing Relationship</td>
<td>An Employee often continues to work for the same employer month after month of year after year.</td>
<td>An Independent Contractor is usually hired to do one job of limited or indefinite duration and has no expectation of continuing work.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Set Hours of Work</td>
<td>An Employee may work “on call” or during hours and days as set by the employer.</td>
<td>A true Independent Contractor is the master of his or her own time and works the days and hours he or she chooses.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of employees</td>
<td>An Employee ordinarily devotes full-time to the employer, or the employer may have a priority on the Employee’s time.</td>
<td>A true Independent Contractor cannot be required to devote full time service to one firm exclusively.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location where services performed</td>
<td>Employment is indicated if the employer has the right to mandate where services are performed.</td>
<td>Independent Contractors ordinarily work where they choose. The workplace may be away from the client’s premises.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Order or Sequence set</td>
<td>An Employee performs services in the order or sequence set by the employer. This shows control by the employer.</td>
<td>A true Independent Contractor is concerned only with the finished product and sets his or her own order or sequence of work.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oral or written reports</td>
<td>An Employee may be required to submit regular oral or written reports about the work in progress.</td>
<td>An Independent Contractor is usually not required to submit regular oral or written reports about the work in progress. Submits reports as specified by contract.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Means of payment by the hour, week or month</td>
<td>An Employee is typically paid by the employer in regular amounts at stated intervals, such as by the hour or week or month.</td>
<td>An Independent Contractor is normally paid by the job, either a negotiated flat rate or upon submission of a bid or proposal.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment of Business &amp; travel expense</td>
<td>An Employee’s business and travel expenses are either paid directly or reimbursed by the employer.</td>
<td>Independent Contractor normally pay all of their own business and travel expenses without reimbursement or specified by contract.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tools &amp; equipment</td>
<td>Employees are furnished all necessary tools, materials, and equipment by their employer.</td>
<td>An Independent Contractor ordinarily provides all of the tools and equipment necessary to complete the job.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment of Facilities</td>
<td>An Employee generally has little or no investment in the business. Instead, an Employee is economically dependent on the employer.</td>
<td>True Independent Contractors usually have a substantial financial investment in their independent business.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit or loss</td>
<td>An Employee does not ordinarily realize a profit or loss in the business. Rather, Employees are paid for services rendered.</td>
<td>An Independent Contractor can either realize a profit or suffer a loss depending on the management of expenses and revenues.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

Name of Consultant/Independent Contractor: ____________________________________________

**PLEASE CHECK ON THE COLUMN THAT BEST APPLIES TO THE CONTRACTOR**

---

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<table>
<thead>
<tr>
<th>One employer at a time</th>
<th>An Employee ordinarily works for one employer at a time and may be prohibited from joining a competitor.</th>
<th>An Independent Contractor often works for more than one client or firm at the same time and is not subject to a non-competition rule.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Making Service available to the Public</td>
<td>An Employee does not make his or her services available to the public except through the employer’s company.</td>
<td>An Independent Contractor may advertise, carry business cards, hang out a shingle, or hold a separate business license.</td>
</tr>
<tr>
<td>Discharge Right</td>
<td>An Employee can be discharged at any time without liability on the employer’s part.</td>
<td>If the work meets the contract terms, an Independent Contractor cannot be fired without liability for breach of contract.</td>
</tr>
<tr>
<td>Right to quit without liability</td>
<td>An Employee may quit work at any time without liability on the Employee’s part.</td>
<td>An Independent Contractor is legally responsible for job completion and, on quitting, becomes liable for breach of contract.</td>
</tr>
</tbody>
</table>

I certify that to the best of my knowledge the consultant/independent contractor named at the top of this 20-factor test does not meet the criteria describing an employer/employee relationship.

Department Head (Print or Type)  

Dept: ___________________________ Ext: _______

Department Head Signature  

Date: ___________________________

Purchasing Recommends:  

Payment as an independent contractor/consultant  

Contact Human Resources to pay as an employee  

Authorized by: ___________________________ Date: ___________________________  

Judy Harral, Purchasing Director  
(Required if greater than $5000)
**Contract Workforce Analysis**

**$10,000 AND OVER**

<table>
<thead>
<tr>
<th>1. Vendor/Contractor Name:</th>
<th>2. Total Amount of Contract:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct _________ Indirect ________</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Social Security No.:</th>
<th>4. Account No.:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Object Code:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5. P.O. No. or Requisition No.:</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>6. Dates to be Employed (mm/dd/yy):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start:</td>
</tr>
<tr>
<td>End:</td>
</tr>
</tbody>
</table>

Departmental Contract Administrator Name:   Phone: (Person assigned to manage contract)

<table>
<thead>
<tr>
<th>7. Type of Contract Work: (Check all that apply)</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Temporary Employment Services (70)</td>
</tr>
<tr>
<td>☐ Independent Contractor (individual/20 factor test) [77]</td>
</tr>
<tr>
<td>☐ Professional Services Contract (Architects, Engineers) [73]</td>
</tr>
<tr>
<td>☐ Contracted Service [74] (ex: cleaning services)</td>
</tr>
<tr>
<td>☐ Trainer/Lecturer [76]</td>
</tr>
<tr>
<td>☐ Consultant(s) [73] (Studies &amp; Advisings)</td>
</tr>
<tr>
<td>☐ Other ___________________________</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>8. Reason for using contract workforce instead of TAMU-CC workforce: (check all that apply)</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Temporary peak in work requiring additional staff [71]</td>
</tr>
<tr>
<td>☐ Additional workload caused by job vacancies/absences [70]</td>
</tr>
<tr>
<td>☐ Labor intensive special project [79]</td>
</tr>
<tr>
<td>☐ Cost reduction/savings [74]</td>
</tr>
<tr>
<td>☐ Highly specialized duties [73]</td>
</tr>
<tr>
<td>☐ Productivity will be increased [75]</td>
</tr>
<tr>
<td>☐ Lack of qualified applicants [73]</td>
</tr>
<tr>
<td>☐ Ensure objectivity/avoid conflict of interest [78]</td>
</tr>
<tr>
<td>☐ Other conditions ___________________________</td>
</tr>
</tbody>
</table>

Please answer the following questions and verify that the following information was reviewed:

<table>
<thead>
<tr>
<th>1. If the scope and work to be performed meets the criteria that allows performance by an independent contractor (individuals only), department must attach 20 Factor Test.</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Yes ☐ No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Prior to engaging with a contract workforce or contract worker, department has determined why and how the use of the contract worker fits into the department staffing strategies by considering department missions, goals, and objectives, existing future employee skills needed, compensation cost, productivity and workload.</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Yes ☐ No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Departments using contract workforce or contract worker has received a copy of the &quot;Best Practice and Guidelines for effectively Using a Contract Worker&quot; issued by the State Auditors Office.</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Yes ☐ No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. Department understands they must provide contract worker(s) protection against discriminatory treatment and be provided a safe work environment.</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Yes ☐ No</td>
</tr>
</tbody>
</table>

Departmental Contract Administrator ___________________________ Date ___________________________
**COMPLETE THIS PAGE ONLY IF CONTRACT IS FOR OVER $10,000**

Exemption to Cost Benefit Analysis

Are the cumulative payments for the contract's workforce components prudently expected to be less than $10,000 for each fiscal year?  
- Yes  
- No

Is the contract an interagency contract?  
- Yes  
- No

Are the contract's workforce components purchased at the specific Mandate of statute?  
- Yes  
- No

If “Yes” is answered to one or more of the cost benefit analysis exemptions, the section below “no cost benefits analysis” is not required. Otherwise, the cost benefit analysis is to be completed.

---

<table>
<thead>
<tr>
<th>Cost Benefit Analysis</th>
<th>To be completed prior to Solicitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages</td>
<td>TAMU-CC Salary Expense</td>
</tr>
<tr>
<td>Benefits</td>
<td>Applicable Benefit Expenses</td>
</tr>
<tr>
<td>Fees</td>
<td>Equipment/Supplies</td>
</tr>
<tr>
<td>Other (Specify at left)</td>
<td>Media/Printing</td>
</tr>
<tr>
<td>Estimated Total Cost</td>
<td>Travel</td>
</tr>
<tr>
<td></td>
<td>Other</td>
</tr>
<tr>
<td></td>
<td>Total TAMU-CC Cost</td>
</tr>
</tbody>
</table>

Considerations NOT Listed Above (Check all that apply, explain at bottom of page)

- Training Costs Comparisons
- Availability of Qualified TAMU-CC Staff
- Legal Risks
- Productivity Comparisons
- Staff Time Lost to Other Duties
- Economies of Scale Affecting Workforce Costs or Workload
- Other Significant Factors (explain, attach sheet if necessary)

---

Person Completing Cost Benefit Analysis ____________________________ Date ____________

**Cost Benefit Comparison**

To Be Completed Upon Award of Contract

Actual contract Rate/Cost $_________ vs Total TAMU-CC Cost $_________

Were Considerations other than those described in the cost benefit analysis used?  
- Yes  
- No  
If “Yes” specify/ explain.

---

Certification: Analysis has been performed to ensure this use of a contract workforce is in compliance with TAMU-CC contracting philosophy, cost benefit analysis has been done (if non-exempt), and contract language clarifies the contractor or contract agency employees are not employees of TAMU-CC.

Department Contract Administrator ____________________________ Date ____________

Review

A review of this contract has been completed by the Purchasing Department and meets contract workforce requirements.

Purchasing ____________________________ Date ____________
Texas A&M University-Corpus Christi Purchasing Department
After the Fact (ATF) Memo on use of University Funds

To: ________________________________________________________________

Department: ________________________________________________________

From: ___________________________ Date: _____________________________

PO Number or Amount: ___________________________ Invoice Number: ___________________________

Vendor: __________________________________________________________________________

This memo is to inform you that the above-referenced document for ____________________________ is in non-compliance with the purchasing policy for procurement of goods and services due to one or more of the following reasons:

☐ The order was placed before the funds were encumbered and approved within your department.

☐ You submitted a voucher create to pay for this transaction instead of using the FAMIS module. All non-compliance purchases must be paid with local funds.

☐ Other: _______________________________________________________________________

Upon receiving this form with the information filled out below in boxes 1 and 2, I will authorize payment to vendor.

1. **Explanation for the unauthorized obligation:**

2. **Explain the steps to be taken to avoid non-compliance in the future:**

University purchasing procedures require issuance of a purchase order prior to the purchase of goods or services from outside vendor, except when utilizing the procurement credit card. Please note State Comptroller’s Office requires University to ensure that documentation of the agreement is prepared at the time the goods or services are ordered from the vendor and departments must ensure pricing is obtained from a current vendor catalogue. If you need additional information regarding this purchase or other purchasing matters, please contact David Davila at ext. 2616 or Judy Harral at ext. 5936. Thanks in advance for your cooperation to ensure adherence to the established guidelines.

Upon entering your explanation on this form, please submit to the purchasing department.
HELPFUL WEBSITES
HELPFUL WEBSITES

Purchasing Department Homepage  
http://falcon.tamucc.edu/~purchase

Texas Building & Procurement Commission is now:  
http://www.window.state.tx.us/procurement/
Texas Procurement and Support Services (TPASS)

Centralized Master Bid List (CMBL)  
http://www.window.state.tx.us/procurement/prog/cmbl/

State Catalogue (CISV)*  
http://www.window.state.tx.us/procurement/prog/cisv/hb-2918-repeal-of-cisv-program-effective-09-01-07/

HUB Vendor Information  
http://www.window.state.tx.us/procurement/prog/hub/

State Contract  
http://www2.cpa.state.tx.us/cat_page/

Computer Contract info  
http://computerpurchase.tamucc.edu

DIR (TX Dept of Information Resources)  
http://www.dir.state.tx.us/commodities/index.htm

* Searching for a Catalog Information Specialist Vendor (CISV) has been combined with the CMBL search. In order for a vendor to be a CISV they must be on the CMBL.