General Purchasing Guidelines

As of December 1, 2010
Acquisition of Goods and/or Services

The Texas A&M University System policy 25.07.03 establishes purchasing authority for The Texas A&M University System members. The regulation ensures compliance with all applicable State statutes and rules, as well as the System policies and regulations by setting minimum guidelines for the procurement of goods and/or services.

Each System member has developed standard operating procedures to facilitate and expedite the acquisition of goods and/or services which are disseminated to member personnel.

Texas Transportation Institute Purchasing Procedures

TTI departments have delegated authority to make purchases of non computer/network related equipment, supplies, and services where the total cost (including freight and/or postage) is $5,000 or less. This limited authority was delegated to allow departments to expedite the purchase of items needed immediately without having to prepare a purchase requisition. Departments should utilize Historically Underutilized Business (HUB) vendors whenever possible.

For purchases exceeding the $5,000 delegated authority, a purchase requisition is required. The Department prepares the purchase requisition form (Purchase Requisition) which is then submitted to the TTI Business Office. The Business Office will route the requisition electronically through FAMIS to the TAMU Department of Procurement Services for processing of the order.

Texas Government Code stipulates that agencies purchase or contract for goods or services through competitive bidding whenever possible. However, State law identifies two mandatory sources (Set Aside Programs) that must be considered in ALL procurements. The sources are TIBH Industries and the Texas Correctional Industries (TCI). The goods and services offered by these mandatory sources must meet the procuring agency’s specified requirements, including quality and urgency of need. The procurement of products and services from these two entities is not subject to the competitive solicitation requirements of the Texas Government Code and does not have an impact on the TTI HUB percentage.

In addition, Texas Government Code provides first preference for goods produced or offered by a Texas bidder that is owned by a service-disabled veteran who is a Texas resident. Goods produced in this state or offered by other Texas bidders shall be given second preference, if the cost to the state and quality are equal.

Questions regarding purchase requisitions or purchases above the delegated authority may be directed to the Assistant Financial Manager, Kathy Cowen, at 979-845-2284. Departments may also contact the TAMU Department of Procurement Services directly with questions about procurement processes for purchases above the delegated authority. The Buyer Locator on the TAMU Department of Procurement Services website will assist in determining the correct buyer for the purchase.  http://purchasing.tamu.edu/ssps/purchasing/buyer_locator.asp
Computer and Peripheral Purchases

To ensure that TTI purchases of computers and peripherals conform to agency standards and the Texas Administrative Code (TAC) security requirements, all computer/network related purchases must be routed through TTI Network and Information Systems (NIS). NIS staff will assist with the purchase specifications to ensure that it adheres to network standards and policies.

Standard computer systems and essential accessories purchased using the Computer Leasing Account must be sent to NIS for prior approval. The initial purchase is charged to the leasing account and billed monthly to projects for 36 months.

Tablet computers (e.g., iPads) or approved non-phone mobile devices may be purchased ONLY on research diversity funds (not eligible on the computer leasing account). TTI will pay for a single data plan of up to $50 per month for either a cell phone or an iPad/approved non-phone mobile device; but not both. PI’s may not purchase these approved mobile computing devices in lieu of a laptop. *All software purchases for iPads or other approved non-phone mobile devices must be purchased through the application store provided on the device. These purchases will not be reimbursed by TTI.

Non-standard and non-essential computer/network requests must be purchased by providing NIS an account number. For more information, please see the NIS Computer Purchasing Standard Administration Procedure. (http://ttinet.tamu.edu/network/policies/29_01_09_01.asp)

Guidelines for TTI Computer and Peripheral Purchases are included on page 9 of this document.
Purchase Requisitions in Excess of $5,000*

The procedures for purchase requisitions above the delegated limit are as follows:

<table>
<thead>
<tr>
<th>Type of Order</th>
<th>Type of Funds</th>
<th>Requisitioning Procedures</th>
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<tr>
<td>Non-Emergency Purchases of Goods and Services</td>
<td>All Funds (State, Local &amp; Federal)</td>
<td>Submit specifications to TTI Business Office on a Purchase Requisition form. The Business Office will submit the requisition to the TAMU Department of Procurement Services through FAMIS.</td>
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<td>($5,000.01 or more)</td>
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<tr>
<td>Emergency Purchases of Goods and Services</td>
<td>All Funds (State, Local, &amp; Federal)</td>
<td>When possible, contact TAMU Department of Procurement Services for prior approval. Submit a Confirming Purchase Requisition and a letter of justification explaining the nature of the emergency to the TTI Business Office. The Business Office will submit the requisition to Procurement Services through FAMIS.</td>
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<td>($5,000.01 or more)</td>
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* Large purchases may not be divided into small lot purchases in order to meet the specified dollar limits. (Government Code, Title 10, Section 2155.132.)

Note: Freight and/or postage costs must be included in all dollar limits listed above.

Justification of Proprietary (Sole Source) Purchases with Local and State Funds

If the specifications restrict the purchase of goods or services to only one manufacturer, a sole source justification must be completed. The justification must answer the following two questions:

1. What are the unique features and why are they needed?
2. Why are competing products not satisfactory?

The first question should be answered in functional terms. Indicate why the dimensions or performance characteristics are essential to your work. The answer to the second question should indicate the particular requirements of the specification where other known products or services do not comply.
Emergency Purchases

An emergency purchase is defined as a purchase of goods or services that if not secured immediately, TTI will suffer financial or operational damage.

When possible, contact the TAMU Department of Procurement Services prior to acquiring the goods or services. Procurement Services provides a buyer locator which helps in identifying the responsible buyer for TTI procurements by commodity or service. (http://purchasing.tamu.edu/ssps/purchasing/buyer_locator.asp)

If the situation allows, informal bids will be taken. The TTI department should submit a requisition after the order has been placed and include a letter of justification that must:

- state the reason for the emergency purchase by explaining what the emergency is and/or what caused the emergency situation.
- state the financial or operational damage that will occur if needs are not satisfied immediately; and
- state why the needs were not or could not be anticipated so that the items could have been purchased through regular procurement procedures.

The letter of justification should be addressed through the department head, through Don Bugh, to TAMU Department of Procurement Services.

Non-complying Purchase Requisitions

Departments do not have the authority to make purchases in excess of $5,000 that have not been approved prior to the goods being delivered or services being rendered. Non-complying purchase requisitions include, but are not limited to, confirming requisitions and requisitions that split large purchases into smaller purchases in order to circumvent purchasing procedures. A letter will need to accompany the non-complying purchase requisition stating why proper purchasing procedures were not followed and what will be done in the future to avoid another occurrence. The letter should be addressed through the department head, through Don Bugh, to TAMU Department of Procurement Services.

Exempt Purchases

The following services are exempt from competitive bidding requirements and may be purchased by departments regardless of dollar amount:

- 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)
- Hotels and Conference Rooms: expenses related to the rental of hotel rooms and conference rooms (Does not include hotel rooms for programs and conferences that are regularly scheduled throughout the year. For example, a department that hosts seminars/workshops throughout the year and is responsible for making lodging accommodations for the participants is not exempt if the projected costs of the rooms exceed $5,000.)

- Crash Test Vehicles

**Historically Underutilized Business (HUB) Program Guidelines**

Pursuant to Texas Government Code and Texas Administrative Code, each state agency shall use a good faith effort to assist HUB vendors to receive a portion of all procurements in accordance with the established State of Texas procurement goals for construction, commodities and services. The State of Texas procurement goals are overall annual procurement goals for each state agency. Since it may not be practical to apply the State goals to each agency contract, each agency is required to set annual procurement goals in each category and an overall HUB goal. For FY 2011, the TTI HUB goal is 25%.

Texas A&M University System policy and System HUB Program guidelines require each System member to report results and performance to The System on a regular basis. The annual TTI HUB goal is reviewed and approved by The System Chancellor. During the A&M System budget process, the Chancellor examines HUB performance and CEOs are required to discuss their performance and justify any shortfalls. All employees of the Texas Transportation Institute that have purchasing authority shall make a good faith effort to utilize HUBs in all procurements to facilitate the agency’s achievement of its HUB procurement participation goals.

A good faith effort to promote HUB utilization includes, but should not be limited to, specifying reasonable and realistic delivery schedules consistent with actual requirements; developing specifications that do not impose unreasonable or unnecessary requirements; and advertising procurement opportunities to HUB and minority and women-owned business trade organizations and development centers.

Acquisition methods may include competitive bidding, competitive sealed proposals, a catalogue purchase, a group purchasing program, or an open market contract.

Awards are based on best value criteria. Compliance with best value criteria should be used as a strategy to include HUB vendors in procurements. Texas Education Code 51.9335 includes the impact on the ability of the institution to comply with laws and rules relating to historically underutilized businesses and to the procurement of goods and services from persons with disabilities as a best value criteria.
Other best value criteria which may be used include

- the purchase price;
- the reputation of the vendor;
- the quality of the vendor's goods or services;
- the extent to which the goods or services meet the institution's needs;
- the vendor's past relationship with the institution;
- the total long-term cost to the institution of acquiring the vendor's goods or services;
- any other relevant factor that a private business entity would consider in selecting a vendor;
- the use of material in construction or repair to real property that is not proprietary to a single vendor unless the institution provides written justification in the request for bids for use of the unique material specified.

Any purchase with an expected value of $100,000.00 or more, regardless of funds, requires a State of Texas HUB Subcontracting Plan for procurements when subcontracting opportunities are probable. The TTI HUB Coordinator will review HUB Subcontracting Plans for compliance. Responses that do not include a completed HUB Subcontracting Plan shall be rejected due to material failure to comply with advertised specifications in accordance with 34 Texas Administrative Code § 20.36.

HUB subcontracting should be promoted and encouraged in all contracts/awards of less than $100,000.00, regardless of funding, when it is determined that a reasonable potential for HUB subcontracting exists.

Purchasing and HUB Program guidelines should be considered during the development of proposals. Project purchases that exceed the delegated limit may be delayed by purchasing processing times. In addition, any project expenditure may impact the agency HUB percentage.
Purchasing Process Timeline

Purchases $5,000 or less  Department prepares TTI form 8517, Purchase Order for Delegated Purchases (Purchases of $5,000 or less for local and state funds).

If bids were solicited from several vendors, including HUB vendors, departments should complete form 8518, Informal Telephone Bid. Form 8518 should be submitted to the TTI HUB Coordinator.

Purchases over $5,000  Department prepares TTI form 8309, Purchase Requisition. Upon completion of the form and department approval, the form is submitted to the TTI Business Office.

Processing Time
-3 days to 1 week-

When the Business Office receives requisition from department, the Senior Office Assistant stamps requisition in and forwards to the Assistant Financial Manager for review. The Assistant Financial Manager checks the requisition, including item descriptions, contact, SL number, funding, if confirming, date, estimated cost, approval, delivery requirement, if emergency exists, etc. The Assistant Financial Manager then routes the requisition to Project Administration for review or to an auditor for determination of the expense object code.

The requisition is then forwarded to the Financial Specialist I for FAMIS entry. All backup documentation is faxed to the TAMU Department of Procurement Services.

*Processing Time
-5 days to 1 Month-

The TAMU Department of Procurement Services routes the requisition to the appropriate acquisition team.

Processing is dependent upon dollar amount, sole source purchase, and availability of University-wide master agreements, State contracts, and group contracts with purchasing cooperatives.

Dollar Amount

Minimum of 3 weeks  Any purchase of $25,000 or more, regardless of source of funds, requires an electronic bid posting on the Electronic State Business Daily (ESBD) for a minimum of two weeks (14-21 days). In order to meet delivery requirements, additional time must be allowed when submitting the requisition.

Minimum of 1 month  Any purchase with an expected value of $100,000 or more, and in which subcontracting opportunities exist, must be posted with the requirement of a HUB Subcontracting Plan (HSP). Additional posting time must be allowed for the vendor to contact subcontractors and complete the HSP.
1 Week

Any purchase under $10,000 allows bids to be solicited by informal means expediting the process.

1 Week

**Sole Source Purchases**

These purchases are not required to be bid out, but the vendor must still complete the bid form and submit an IRS form W-9 in order to process the order. Any delay in securing the forms from the vendor delays processing the order.

1 Week

**Master Agreements, State Contracts, Purchasing Cooperative Contracts**

These types of contracts have been competitively bid and awarded by the University, the State of Texas, the Texas Department of Information Resources, or one of the buying Cooperatives, such as the Texas Association of School Boards or the Educational & Institutional Cooperative Purchasing organization (E&I). The order may be processed very quickly by referencing one of these agreements on the requisition.

*Please note: Processing times are estimates and vary based on the dollar amount and complexity of the purchase, as well as approved budget authority. Departments are advised to carefully evaluate and plan their goods and services requirements on a monthly/yearly basis whenever possible. The TAMU Department of Procurement Services makes every effort to accommodate requests for expedited delivery of commodities or services. However, adequate time must be allowed to procure quality goods and services within the time required at an acceptable price.*
# TTI Computer and Peripheral Purchasing Procedures

## Using the Computer Leasing Account

(Standard computers and essential accessories)

The approval process for computer leasing purchases is 1-2 days.

Processing time from approval to arrival at TTI and set up is 2-5 weeks on average, in addition to any time required, if the purchase is over the delegated limit and a requisition is necessary.

Requestor obtains Program Manager and Division Head approval for purchase and submits request to Network and Information System (NIS) for approval. Upon approval, the NIS purchasing agent will contact the requestor to obtain specific information.

Once the equipment specifications are finalized, NIS will solicit bids from several HUB vendors and if under $5,000, order from the appropriate HUB, or provide equipment from in-house bulk supply.

If over $5,000, NIS will prepare the Purchase Requisition form and submit to the TTI Business Office. Equipment will be received by NIS to complete the initial setup and deliver to the requestor.

## Using Other Accounts

Requestor Supplies Account Number

(Non-standard and non-essential computer/network IT items)

Depending on the complexity and type of equipment to be ordered, processing time from placing the order to arrival at TTI and set up is 2-5 weeks on average, in addition to any time required, if the purchase is over the delegated limit and a requisition is necessary.

Requestor contacts NIS purchasing agent and they work together to determine the specifications.

Once the equipment specifications have been finalized, NIS will solicit bids from several HUB vendors and, if under $5,000, order from the appropriate HUB.

If over $5,000, the procedures are the same as for the leasing account.