

TEXAS SOUTHERN UNIVERSITY
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

SECTION: Fiscal Affairs

NUMBER: 03.02.01

AREA: Purchasing

SUBJECT: Purchasing Guidelines

1. PURPOSE

- 1.1. It is the responsibility of the Purchasing Department to organize and administer procurement of supplies, equipment and services for the university in a manner that will result in the best value and price for the university in conformance with established ethical practices. Purchase orders are a particular type of contract. For information on contracts in general, refer to MAPP 03.01.0, Contract Administration.

2. POLICY

- 2.1. The Purchasing Department is responsible for purchasing all supplies, materials, services or equipment and must follow monetary limits and procedures as set by Texas Administrative Code, Texas Government Code and Texas Procurement And Support Services (TPASS), a division of Texas Comptroller of Public Accounts. Subject to state rules and regulations, the Purchasing Department has final discretion and authority for vendor selection and award. The Purchasing Department is required to adhere to the TAC's statute regarding competitive bidding, but may consider other factors including quality, reliability, expected life span and compatibility with existing equipment. It is the responsibility of the Purchasing Department to issue and maintain records of purchase orders.
- 2.2. Regardless of the source of funds or dollar level of purchase, the Purchasing Department and operating unit will purchase from state-certified Historically Underutilized Businesses (HUBs) to the fullest extent possible and will make a good faith effort to meet the TPASS's goals for doing business with HUBs.
- 2.3. TPASS has delegated to the chief executive officers of all state agencies authority to make certain types of purchases. The President has delegated this authority to the Chief Financial Officer. The Purchasing Department has been delegated this responsibility by the Chief Financial Officer. These delegations include, but are not limited to, the following:
 - a. spot purchases,
 - b. emergency purchases,

- c. purchases of services,
- d. purchases of supplies, materials, services or equipment for research in higher education,
- e. purchase with federal funds not in the State Treasury,
- f. purchases of perishable food items,
- g. purchases of books (direct book orders),
- h. purchases of fuel, oil and grease.
- i. distributor purchases.

3. STATE APPROPRIATED FUNDS

- 3.1. Expenditures of funds appropriated by the legislature from the General Revenue Fund and other funds deposited in the State Treasury can be made only in compliance with the rules and regulations of TPASS.
- 3.2. Competitive bidding, whether formal or informal, is not required if the purchase does not exceed \$5,000.00.
- 3.3. The University may establish monetary limits up to a maximum of \$5,000.00 for purchases, which may be permitted without the issuance of a formal purchase order or another type of formal contract. In addition, the following supplies and materials must be procured through the university's Purchasing Department on purchase orders:
 - a. items for which contracts have been awarded under the contract purchase procedure, unless the quantity purchased is less than the minimum quantity stated in the specific contract;
 - b. any item required by statute to be purchased from a particular source; and
 - c. scheduled items that have been designated for purchase by TPASS.
- 3.4. On purchases between \$5,000.00 and \$10,000.00, a reasonable attempt must be made to obtain at least three informal bids by the university's Purchasing Department. On purchases from \$10,000.01 to \$25,000, a reasonable attempt must be made to obtain a minimum of three formal, written, competitive bids and award made to the lowest, best bidder in accordance with standards set by the TPASS.

- 3.5. The Chief Financial Officer may establish lower monetary limits for purchases than is provided by State policy.
- 3.6 Large purchases may not be divided into small lot purchases in order to meet the specified dollar amounts.

4. EMERGENCY PURCHASES

- 4.1. A department may provide for emergency purchases when a situation exists in which the requirement for goods and services is so severe that the university will suffer operational or financial damage if the goods or services are not secured immediately. If the nature of the emergency permits, the needed goods or services should be requested through the Purchasing Department. The Purchasing Department is responsible for issuing specific policies to be used as a guideline when the emergency is such that corrective action must be taken immediately.

5. PURCHASES FROM LOCAL FUNDS

- 5.1. Principles when making purchases involving the expenditure of non-state appropriated funds are as follows:
 - a. To adhere to the general procurement requirements of quality goods and services at the best price and delivery possible;
 - b. To provide free and open competition when and wherever possible;
 - c. To abide by the general procurement standards of the Office of Management and Budget (OMB) Circular A-110 and its applicable attachments, when required;
 - d. To provide for sole source procurement; and
 - e. To exercise buyer discretion in the purchasing process; and
- 5.2. The Chief Financial Officer is responsible for issuing specific policies and procedures relative to monetary limits for purchases involving expenditure of local funds.

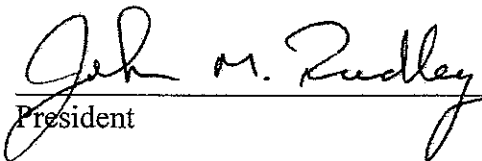
6. REVIEW AND RESPONSIBILITY

Responsible Party: Director of Purchasing

Review: Every two years on or before May 1

7. APPROVAL

Approved: 
Chief Financial Officer


President

Date: 06/24/09