

HEALTH SCIENCE CENTER HANDBOOK OF OPERATING PROCEDURES

Chapter 6	Fiscal Policies and Procedures	Effective:	May 2000
Section 6.7	Purchasing	Revised:	April 2009
Policy 6.7.2	General Purchasing Procedures – Commodities	Responsibility:	Assistant Vice President for Business Affairs

GENERAL PURCHASING PROCEDURES – COMMODITIES

Policies

All requisitions are budget checked and pre-encumbered before they are electronically received in the purchasing environment. The ordering department must take responsibility to ensure that the requisition has a realistic expenditure or cost figure on the requisition. The purchasing buying staff will proceed in awarding a purchase order, as long as the finalized price from the respective vendor does not exceed the following formula:

500%, but not to exceed \$300 of the original requisition pricing.

Requisition Process

All requests for purchase of supplies, materials, and equipment must be submitted to the Purchasing Office on a “Departmental Requisition” (REQ) using the PeopleSoft (PS) web requisition system.

Processing a basic purchase requisition involves five steps:

1. First, the requester enters the requisition, specifying the vendor, items to be purchased, etc.
2. Next, the requester must edit check and budget check the requisition to ensure that the Project ID specified on the requisition has sufficient funds to cover the purchase.
3. If the requisition passes budget check, the requester must then notify one or more persons to approve the requisition.
4. These approvers, known as the Project Manager and Administrator, may either approve or deny the requester’s purchase requisition.
5. Upon approval of the requisition by both Project Manager and Administrator, the status of the requisition becomes approved, at which time the Purchasing Office will assign the requisition to a buyer and process the order.

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To obtain detailed information on how to submit a PS REQ, you may view the online “Basic Web Requisition Guide”, which can be found within the DCATS Web site at <http://www.ims.uthscsa.edu/training/financials.aspx>.

In addition, PS Web Requisition training classes are offered and are strongly recommended. Information on how to register for this class may be found at the IMS Web site at <http://www.ims.uthscsa.edu/training/dcats.aspx>.

Historically Underutilized Businesses (HUBs)

The Health Science Center is committed to the exercise of good faith effort in providing business opportunities to “Historically Underutilized Businesses” (HUBs), in accordance with established HUB Program good faith effort goals. More information on the HUB Program can be found at <http://www.uthscsa.edu/business/hub/index.html>.

State Law

Prior to procuring goods or services from a recommended vendor, we are required by state statute to verify that the vendor is in good standing with the State Comptroller. The PS Financial Procurement System takes care of this step automatically by verifying the vendor state status through an overnight interface process. When a vendor is found to be on "Vendor Hold" with the State of Texas, we are required to withhold all payments and to cease any procurement related activities with the company. The vendor may be on hold with the State Comptroller for various reasons which may include:

- Failure to pay state sales or franchise tax
- Delinquent in child support payments
- Non-payment of fees
- Default or non-payment of Texas Guaranteed Student Loan Corporation (TGSLC) Student Loan

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**Purchase Order
Splitting**

Requests are processed by the Purchasing Office for the purchase of commodities regardless of the aggregate total and for services as explained herein. Departments should not break requisitions or vouchers into multiple documents, with lower estimated costs, to avoid quotation bidding thresholds. (Reference Site: *Texas Government Code* 2155.132, Section G.)

**Debarment and
Suspension**

No contract shall be made to parties listed on the General Services Administration’s List of Parties Excluded from federal procurement or non-procurement programs in accordance with Executive Order 12549 and 12689, “Debarment and Suspension”. This list contains the names of parties debarred, suspended or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than Executive Order 12549.

**Purchase Order
Process**

When a purchase request has an aggregate total cost of \$5,000 or less, the purchase may be made without benefit of a competitive process. However, when sufficient time is available and competition is practicable, competitive requests for quotation may still be utilized, subject to the discretion of the buyer. Processing time is between five (5) to seven (7) business days. Purchasing requests that require overnight shipment (i.e. next day delivery to University), need to be received in the Purchasing Office by 12:00 noon, CST, to allow adequate time for the designated buyer to place order with vendor. When the PS REQ has an aggregate total cost exceeding \$5,000 but \$25,000, or less request for quotations (which may include best value acquisition) are required. Seven (7) to ten (10) business days are required to process these requests. Formal bids (which also may include best value acquisition) are required when the aggregate total cost of the PS REQ reaches or exceeds \$25,000. At least twenty-five (25) calendar days are required to complete the bidding process, which is dependent upon the complexity of the bid specifications.

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Processing time by the Purchasing Office

**Processing time may vary based on complexity of specifications.*

Total Amount of Purchase Order	Solicitation Process	*Estimated Processing Time	Notes
\$0.00-\$5,000.00	Non-Competitive	5-7 business days	
Repairs (services) \$5,000.00 or less (with or without parts included)	Process as a voucher through the Accounting Office		If vendor requires a Purchase Order number, contact the Purchasing Office at 2-6200
\$5,000.01-\$25,000.00	3 requests for quotes from the CMBL: 1 quote each from a minority-owned business and a woman-owned business	7-10 business days	
\$25,000.01 and over	3 requests for bid from the CMBL: 1 bid each from a minority-owned business and a woman-owned business	Within 25 calendar days, depending on the complexity of the bid specifications	

Firm prices and a specified delivery date are requested in both request for quote and request for bid. After completion of bid solicitations, a Purchase Order is issued to the bidder offering the most responsive/responsible bid. A copy of the order is forwarded to the requisitioning department. The requisitioning department will

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occasionally be requested to review the bid responses prior to an award.

Types of Purchases

State of Texas Department of Information Resources (DIR)

The State of Texas Department of Information Resources has negotiated contracts with major Information Technology (IT) hardware, peripherals, software, telecommunications, and service providers based on the combined buying power of state and local government customers and the public education community. This results in steeply discounted pricing for the University.

The State of Texas purchasing requirements have been met in all DIR contracts. This simplifies the purchasing process and shortens processing time for purchase orders in excess of the \$5,000. The University may have a direct purchase relationship with individual vendors under the DIR TEX-AN and “Go Direct” programs.

State Contract

Items used in large quantities on a statewide basis are placed on state contract by the Texas Procurement and Support Services (TPASS). The State of Texas purchasing requirements have been met in all state contracts. Regardless of the types of funds being used on a purchase request, the Purchasing Office will use the state contracts in the acquisition process without competitive bidding. The products listed on the state contracts are for the use by eligible State of Texas entities only and are not for personal purchases.

TXMAS PROGRAM

The Texas Procurement and Support Services (TPASS) has established, as an alternative purchasing method, the use of Texas Multiple Award Schedule (TXMAS) contracts that have been developed from contracts that have been competitively awarded by the federal government or any other governmental entity of any state. As the responsible federal entity, the General Services

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Administration's (GSA) Federal Supply Service awards Federal Supply Schedule contracts by competitive procurement procedures for more than 50 schedules that cover multiple commodities and services. The prices reflected on GSA schedule contracts are the most favored customer (MFC) prices and the maximum price allowable. TXMAS contracts take advantage of the MFC pricing and under certain circumstances, an agency or local government entity, may negotiate a lower price for the goods or services offered on a schedule contract. A "best value" purchase can be made by following the TXMAS purchasing procedures.

Cooperative Purchasing Commodities

This is a group purchasing program composed of the health care institutions of The University of Texas System that offers purchasing of commodities at the most cost-effective method of purchasing available. For more information contact the Purchasing Office.

Procurement Card

The Health Science Center has chosen to implement the JPMorgan Chase Purchasing Card Program, also known as the Procurement Card or the "ProCard", to establish a more efficient, cost effective method of purchasing and payment for small dollar transactions through the use of a credit card system. Additional information on the procurement card program may be found within the Procurement Card Web site at <http://www.uthscsa.edu/business/procard/>.

Petty Cash

The purchase of commodities with an aggregate total cost not exceeding \$100 may be made by employees with reimbursement requested from the Bursar's Office (see the *Handbook of Operating Procedures* (HOP), [Section 6.4.3](#), "Petty Cash Fund").

Inter-departmental

Purchases for supplies or equipment from General Stores, Bookstore, Print Shop, Computer Store, Mail Service, or other departments are handled directly with those departments. The Purchasing Office does not process inter-departmental purchases.

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General Stores

Items available in General Stores cannot be requisitioned through the Purchasing Office.
