PURCHASING BASICS
Welcome to the Purchasing Basics Training Module. The purpose of this training module is to provide employees with information about Basic Purchasing Procedures and Rules and will cover the following topics:

- Conflict of Interest
- University Purchasing Procedure
- Delegated Purchasing Authority
- HUB Program
- Purchasing Categories
- Contract Administration

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West Texas A&M University – is a member of the National Association of Educational Procurement (NAEP), and we conform to their Ethics Policy; as well as the Texas A&M University System Ethics Policy.

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Conflict of Interest

It is very important to avoid situations that could appear to be a conflict of interest. As an employee of a state-funded University, it is very important to exhibit high ethical standards. You should try to examine yourself when put in to situations that could appear questionable.

An employee of West Texas A&M University may not:
Participate in work on a University System purchase or contract with personal financial interest actual or potential, solicit or accept anything of value, be employed by, or agree to work for a vendor, or knowingly disclose confidential information for personal gain.

A vendor or potential vendor may not:
Offer, give or agree to give an employee anything of value or retain another to secure a contract for a contingent fee except for bonafide employees or sales representatives.
Why do we have so many Purchasing Policies and Procedures??

It can be very confusing to some, but this training will assist you during the buying process.

By accessing the West Texas A&M University website at:

http://www.wtamu.edu/administration/purchasing-and-inventories.aspx

You can find the following Information:

- WTAMU Purchasing Procedure
- WTAMU HUB Rule

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Texas A&M Systems’ Purchasing Procedure, 25.07.03

This procedure provides information related to our purchasing rules at the University.

It is a guide for all employees.

This procedure can be accessed through our website


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Three Types of Purchases

There are 3 main types of purchasing procedures that we utilize.

- **Delegated Purchases** are purchases that departments have the authority to process.

- **Purchases through the Purchasing Department** are not allowed due to dollar amount of purchase.

- **Procurement Card Purchases** are delegated to departments, but have its own set of rules and procedures.

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The delegated purchasing authority for the University was implemented for purchases that are less than $5000.00. 

*This amount includes freight charges!*

If you have the need for services that are recurring, this needs to be processed as a requisition.

And….regardless of the type of purchase, we always encourage the use of HUB vendors!

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The State of Texas HUB Program was implemented to provide equal opportunity to women and minority businesses to compete for business. The program requires state agencies to make a good faith effort to utilize HUBs in contracts. The HUB Coordinator for West Texas A&M University is responsible for all HUB activities at the University.

You can find additional information regarding the West Texas A&M University HUB Program on our website:

http://www.wtamu.edu/administration/purchasing-and-inventories.aspx
Purchasers should check the following sites to ensure that the vendor is not on a debarred or on hold status.

A Debarred vendor has not complied with their contracts and have been forbidden from doing business with the State of Texas for a period of time. To check to see if a vendor is debarred, go to:

http://www.cpa.state.tx.us/procurement/prog/vendor_performance/debarred/

An Excluded vendor is excluded from receiving Federal contracts, certain subcontracts, and certain Federal financial and nonfinancial assistance and benefits.

It is a requirement of the Federal Government to check the System for Award Management for all purchases. This database can be found at:

https://www.sam.gov/portal/public/SAM/
As a State Institution, we have many different options when making purchases for goods and services.

We utilize TIBH (Texas Industries for the Blind and Handicapped), for office supplies and other goods and services at a discounted rate. http://tibh.org/catalog/index.php

The State Contract provides goods and services with major discounts. http://www.window.state.tx.us/procurement//cat_page/

University/System Wide Contracts are utilized as a method of sharing services. As a University, the law allows us to purchase from vendors, with existing contracts for good and services, that have been competitively bid.

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No Splitting of Orders!

Departments may not exceed the authorized delegated limit of $5000.

*Purchases may not be broken down into small purchases* in order to meet the authorized limit of authority. Your Purchasing authority will be revoked for intentional misuse.
Emergency: What is an emergency purchase?

“The purchase of goods or services so badly needed that an agency will suffer operational or financial damage unless they are secured immediately.”
There are certain instances in which you may need to make an emergency purchase.

If you need to make an emergency purchase, please complete each step of the process listed below:

- Prior to commitment, notify Director of Procurement
- Obtain at least 3 quotes, if possible (contact purchasing if you need assistants)
- Submit a requisition to Purchasing
- Document why emergency exists and why requirements were not anticipated
- Sole Source letter is required if similar products from other companies do not exist
Purchases through Ebay are strictly prohibited.

As a State Institution, we cannot agree to their terms and conditions because they conflict with State Law.

When making a purchase through their system, we are being bound by a third party contract and have no control over the performance of the vendor. Their terms and conditions provide no recourse if the vendor fails to deliver the products.
A Sole Source implies that there is only one person or company that can provide the product or service.

Purchasing needs specific information before processing a Sole Source order. Below are questions that need to be answered.

- What is the unique feature?
- Why is unique feature needed?
- Why will competing products not be satisfactory?
Exempt Purchases

An exempt purchase is a purchase or goods or services that is not subject to the standard competitive process. These items are available only under special market conditions which may preclude them from competitive bidding or standard bid procedures.

The complete list of exempt purchases can be found in the A&M Systems’ Purchasing Procedure 25.07.03.

Below are a few examples of exempt purchases:

- Classified Advertising (newspapers and magazines)
- Conference Expenses - related to conference room services
- Membership fees and dues
- Rental of exhibit space
- Travel
- Registrations
- Postage
Trade-in of old equipment can be beneficial in some instances. Many times, you can save a lot of money which will help stretch your budget further!

If you decide to trade in your old equipment for new, follow the steps:

1. The University Fixed Asset Coordinator will need to be contacted for removal of asset identification and for written approval before equipment is traded.

2. Vendor must quote the exact price they will credit for the old equipment toward the purchase of the new equipment.

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As a rule, the purchaser should procure new equipment, but sometimes it is necessary or advantageous to purchase used or demonstrator equipment and supplies. The most common reasons are 1) The inability to secure new equipment; 2) The lack of adequate funds for new equipment; 3) Used equipment will satisfy the agency's need at a substantial savings.

If you decide to purchase used equipment, you must include reason for wanting used vs. new.

Purchasing will bid out for both new and used unless you can provide a written justification with a quote justifying that used is a better value for the University.
Departments are authorized to purchase goods that are $5,000 or less. Any order over $5,000.00 should be processed through The Purchasing Department referencing the requisition as a BID.

All requisitions require clear specifications of what item you are wanting us to Purchase. You should include part numbers, manufacturer’s part numbers (if available), recommended a vendor or manufacturer in which we can purchase the item. Be sure and send all documentation to Purchasing

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Many times, we require services from an outside company because we do not have the forces to complete the job.

A Service is defined as the furnishing of skilled or unskilled labor or professional work.

Due to the University’s insurance requirements, this type of purchase is not delegated to departments, unless you have been pre-approved by the Purchasing Department.

The following information must be submitted to Purchasing for processing:

- A requisition must be submitted (along with a Professional - Non-Professional Service Agreement if required)
- Full description of service required
- Time period of service (Begin & End Date)
- List of deliverables
- Suggested sources

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A Professional service is defined as a person licensed as an Accountant, Architect, Landscape Architect, Land Surveyor, Physician, including a Surgeon, Optometrist, Professional Engineer, Real Estate Appraiser, Registered Nurse.

In order to hire a company that is defined as a Professional Service, it is recommended that you issue a Request for Qualifications (RFQ) if the value is estimated over $25,000. This is a selection of a vendor based on qualifications, not price.

A requisition needs to be sent to Purchasing to process the order.
Consulting Services are very unique in the sense, they have their own process that must be followed to be in accordance with the State Law.

Consulting Service means the service of studying or advising a state agency under a contract that does not involve the traditional relationship of employer and employee.

Major Consulting Service contract means a consulting service contract for which it is reasonably foreseeable that the value of the contract will exceed $25,000, the approval of the Governor of the State of Texas is required.
Software purchases are not normally delegated to departments, unless you receive pre-approval from IT and the Purchasing Department.

Purchasing requires a requisition for **ALL** software, never purchased with a ProCard. You must include the manufacturer of software in the description.
When requesting a BID, RFQ, RFP or RFI through the Purchasing Department, please follow the steps below. This will also give you an idea of the timeframe involved with the process.

A requisition is entered in Colleague. Once Purchasing receives the requisition, it will be transferred to a bid. A bid can take approximately one to two weeks for development. An opening date is set at a minimum of 2 weeks, but for larger solicitations, can be approximately 6 weeks. The bids are opened, tabulated, evaluated by buyer, and then the department is contacted for review. This process can take up to 2 weeks.
When the review is returned, the bid is transferred to a purchase order (POXXXXX) and/or a written contract is processed. The average time can be 8 weeks.

Invitation for Bid (BIDS), Request For Proposal (RFP), Request for Qualification (RFQ) or Request For Information (RFI) take time, make sure you have given yourself, the Purchasing Department and the Vendors, ample time to process your request.
In some instances, it is necessary to issue a written contract instead of a purchase order.

All contracts, excluding Advertising, are to be Routed, along with a **Contract Routing Form**, to the Office of Contract Administration -Bryan Glenn, prior to execution of contract.

The State of Texas requires the review and approval of contractual service by the Contract Administrator when the service exceeds $5000.

Contracts of $50,000 or more require the review of the Office of General Counsel at Texas A&M System offices.

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All contracts are reviewed for compliance with State of Texas Statues and A&M System Policies.

The Contract Administrator, The President of the University or Director of Purchasing are the ONLY people, delegated to sign contracts for the University.
For additional information regarding Purchasing, HUB Program or Contract Administration, please go to the Purchasing homepage.

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