



25.07.03.W1 Acquisition of Goods and Services

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Procedure Summary

This standard administrative procedure (SAP) is developed to provide guidelines necessary to facilitate and expedite the acquisition of goods and/or services deemed to be in the best interest of West Texas A&M University (WTAMU) and in accordance with sound business practices and applicable state laws.

Procedure

1. GENERAL

1.1 All acquisitions must comply with the university's purchasing procedures. Each acquisition must be fully documented, with all documents retained in accordance with the university's records retention schedule. There are two types of purchasing authority: (1) acquisitions processed directly through and by Procurement Services; and (2) acquisitions delegated to all departments with a stated dollar limit of \$10,000. Acquisitions requiring a written contract, other than the university standard acquisition order, must be in compliance with the provisions of [System Policy 25.07 Contract Administration](#) and [System Regulation 25.07.01 Contract Administration Procedures, Delegations and Reporting](#).

1.2 Unless specifically exempted (see section 6), the following procurement methods must be utilized: competitive bidding; competitive sealed proposals; catalog acquisition procedures; group purchasing; and alternate methods relevant to the specific application of goods and services purchased.

1.3 All acquisitions shall be based on a "best value" and shall encompass the following: acquisition price; reputation of the vendor and 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 (HUBs) 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.

1.4 Proprietary acquisition requisitions, those that can only be purchased from a single source, must be properly justified, in writing, before purchasing may process the requisition. All proprietary acquisition requisitions are reviewed for appropriate justification by the assigned buyer and then reviewed by the Director of Procurement and Contracts. At any point in the proprietary acquisition review process, the reviewer may forward the request to the next level supervisor for their review and approval regardless of the dollar value. Justifications must be submitted on the approved form and include: Comparison of at least two (2) other similar type products; list features that are lacking and why the feature is essential to the product being requested.

2. ACQUISITION OF GOODS OR COMMODITIES

2.1 The Purchasing Department has delegated authority to departments to make acquisitions of goods and commodities, without competitive bid for \$10,000 or less (including freight and/or postage); however, departments are encouraged to obtain multiple bids whenever possible.

2.1.1 All employees making acquisitions under delegated purchasing authority shall adhere to the [System Policy 07.01 Ethics](#) and [System Regulation 21.01.03 Disbursement of Funds](#).

2.1.2 Acquisition within these dollar limits requires proper documentation in the requisition or as provided in the university's guidelines for procurement card acquisitions.

2.1.3 Acquisitions may not be separated into smaller dollar acquisitions in order to remain within the authorized dollar limit of authority.

2.1.4 In the event an acquisition or series of acquisitions (that appropriately should have been combined into a single purchase) are made exceeding the \$10,000 delegated authority, the department shall submit a non-

compliant acquisition requisition memo. The memo should include the circumstances surrounding the non-compliant purchase and actions to be taken to avoid a reoccurrence. The Director of Procurement and Contracts has the authority to approve non-compliant payments up to \$1,000,000 and to withdraw delegated purchasing authority for repeated non-compliance. All non-compliant payment requests greater than \$1,000,000 must be reviewed and approved by the Vice President for Business and Finance.

- 2.1.5 Departments shall provide equal opportunity and access to all vendors for the acquisition of goods and services. The purchasing department will assist in identifying Historically Underutilized Businesses (HUB) for such acquisitions.
- 2.1.6 Departments shall acquire goods, whenever possible, from persons with disabilities: Texas Industries for the Blind and Handicapped (TIBH). The purchasing department will assist in identifying TIBH contracts.
- 2.1.7 The State of Texas has awarded contracts that are available for use by all agencies and institutions of higher education. Departments are highly encouraged to review and utilize the state contracts whenever possible.
- 2.1.8 All acquisitions in excess of the authorized department acquisition limit, excluding section 6 Exempt Acquisitions, shall be submitted as a requisition to Purchasing and Contracts. Purchasing shall determine the appropriate method of procurement and process accordingly.

3. ACQUISITION OF SERVICES

- 3.1 Acquisition of services is defined as the furnishing of skilled or unskilled labor or professional work but does not include: (1) professional services as defined by Subchapter A, Chapter 2254 Texas, Texas Government Code; (2) service of a state agency employee; (3) service of a public utility.
 - 3.1.1 Requisitions must be submitted for the acquisition of services and the award issued before the service begins. If the service can only be provided by a sole source provider, the requisition must indicate that the desired acquisition is a sole source and the sole source justification form completed. The Director of Procurement and Contracts has the authority to reject a sole source submission.

3.1.2 If a service will be required and rendered throughout the fiscal year with an estimated cumulative value that exceeds \$10,000, a requisition must be forwarded to Purchasing and Contracts.

4. EMERGENCY ACQUISITIONS

4.1 An emergency acquisition is defined as an acquisition of goods or services that, if not secured immediately, the university will suffer financial or operational damage. In the case of an emergency, departments must notify the Director of Procurement and Contracts immediately. If the emergency happens after normal business hours, the department shall notify the Director of Procurement and Contracts on the next business work day.

4.2 An emergency justification addressed to the Director of Procurement and Contracts to include the following: (1) explanation of the emergency; (2) explanation of the financial or operational damage that will occur if needs are not immediately satisfied; (3) state why the needs could not be anticipated.

4.3 Three informal bids must be obtained except when securing bids would significantly impede the process of completing the acquisition.

5. ACQUISITION OF SPECIFIC GOODS OR SERVICES

5.1 Computer Software: All software with a cost of \$100,000 is classified as capital equipment and must be inventoried. Software purchases are not allowed on the procurement card without prior approval from the Director of Procurement and Contracts.

5.2 Rental of Machines and Equipment: Rental of machines and equipment that do not include an operator are considered goods. Rentals that include an operator provided by the supplier are considered services. All rentals must be processed through the purchasing department prior to the date of required use.

5.3 Computers: All computer purchases must go through IT. Computer purchases are not allowed on the procurement card without prior authorization from the Director of Procurement and Contracts.

5.4 Food Purchases: State funds cannot be used for the purchasing of food, including coffee and related items, for consumption by employees or departmental visitors. State funds can be used to pay for food purchases related to research or teaching in a class or lab setting. All food purchases must be accompanied with a description of who, what, when, where, and why the food is being purchased.

5.5 Institutional Memberships: All institutional memberships must be accompanied by the membership justification form. Memberships can be purchased with the procurement card.

5.6 Personal Packages: State resources cannot be used to receive or deliver personal packages. DO NOT use Central Receiving addresses for personal packages; these will not be accepted or delivered.

5.7 Professional Services: Professional Services are defined by the Professional Services Procurement Act (Government Code, Section 2254.002). Examples of these services include architects, professional engineering, real estate appraising. Professional services are procured using the Request for Qualification process and selections are based upon their qualifications.

5.8 Used Equipment: It is preferred that new equipment is purchased, but sometimes necessary or advantageous to purchase used or demonstrator equipment and supplies. Used equipment may be purchased with both state and local funds.

The most common reasons for purchased used equipment are: (1) the inability to secure new equipment; (2) lack of adequate funds for new equipment. The following procedure must be used when purchasing used equipment.

5.8.1 Obtain a minimum of three (3) bids whenever possible.

5.8.2 If unable to obtain bids, prepare a written explanation of why no competition exists.

5.8.3 Provide a letter or signed statement from the supplier guaranteeing the quality and condition of used equipment, including any warranties.

5.8.4 Provide a letter or a signed statement from an authorized WTAMU employee which states that equipment and supplies have been personally examined and confirms the equipment's quality and condition.

5.8.5 Additional approvals as determined by the department and the Director of Procurement and Contracts.

5.9 Trade-Ins: New equipment may be purchased with a trade-in of old equipment of a similar type. Amounts for the trade-ins are reviewed as part of the bid evaluation process. If determined that an insufficient trade-in allowance has been offered, the equipment will be purchased without a trade-in.

6. EXEMPT PURCHASES

6.1 The following goods and services are exempt from competitive bidding requirements, regardless of the dollar value:

- 6.1.1 Classified Advertising: Expenses such as newspaper, magazine, radio, television, billboards, classifieds, and all other printed advertisements. This exemption only covers advertisements and does not extend to fees paid to public relations or advertising firms for their services in developing or executing coordinated campaigns or programs.
- 6.1.2 Conference Expenses: Expenses related to conference room services such as audio/visual/network and food services (does not include goods purchased for attendees or transportation services).
- 6.1.3 Rental of exhibit space (booths) for display purposes.
- 6.1.4 Goods and services provided by other State of Texas agencies (e.g., Texas Department of Criminal Justice), System members, or other local governments (inter-agency and inter-local agreements must be reviewed by Contract Administration).
- 6.1.5 Governmental services, including database access, postal and purchases made from other governmental entities, e.g., USDA, NASA.
- 6.1.6 Lectures, guest speakers, and entertainers (e.g., pianists, performers) hired on a one-time basis (does not include feeds for speakers on a continuous basis).
- 6.1.7 Internal repair of machinery and equipment – much include materials and labor.
- 6.1.8 Items for resale, e.g., paper for central stores, meat for meats lab.
- 6.1.9 Items required by status to be purchased from a particular source.
- 6.1.10 Library materials specific for the WTAMU library.
- 6.1.11 Membership fees and dues. (Requires University approval.)

- 6.1.12 Newspaper and magazine subscriptions purchased directly from the publisher.
- 6.1.13 Software.
- 6.1.14 Utilities.
- 6.1.15 Purchase or lease of livestock.
- 6.1.16 Catering services.
- 6.1.17 Purchase made from group purchasing programs (cooperative programs).
- 6.1.18 Purchases made from Texas State Contracts, Texas Multiple Award Schedule (TxMAS) contracts, and GSA schedules.
- 6.1.19 Artists (painters, sculptors, compositions, performers).
- 6.1.20 Works of art.
- 6.1.21 Employee and prospective employee travel.
- 6.1.22 Insurance premiums.
- 6.1.23 Acquisition of feed for livestock.
- 6.1.24 Medical doctor services.
- 6.1.25 Freight and postage.
- 6.1.26 Registration fees.

Related Statutes, Policies, or Requirements

[Texas Education Code §51.9335 Acquisition of Goods and Services](#)

[Texas Government Code Chapter 2161 Historically Underutilized Businesses](#)

[System Policy 07.01, Ethics](#)

[System Policy 25.07, Contract Administration](#)

[System Regulation 25.07.01 Contract Administration, Delegations and Reporting](#)

[WTAMU Rule 25.07.99.W1 Contract Administration](#)

[System Regulation 25.07.03, Acquisition of Goods and/or Services](#)

Definitions

The following words and terms, when used in the WTAMU rules, shall have the following meanings unless the context clearly indicated otherwise:

Best Value: The means/methods that goods and/or services are procured as defined by Education Code 51.9335.

Historically Underutilized Business (HUB): HUB is an entity with its principal place of business in Texas and is at least 51% owned by Asian Pacific American, Black American, Hispanic American, Native American, Women-Owned, and/or a disabled veteran who resides in Texas and have a proportionate interest and demonstrates active participation in the control operation and management of the entity's affairs.

Informal Bid: An unsealed, competitive bid submitted by letter, telephone, or email.

Purchase Orders: A document detailing the specifications, terms, and conditions of goods or services being offered to purchase to a supplier.

Revision History

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Contact Office

Office of Procurement and Contracts
(806) 651-2110

Approval Office

Office of the President
(806) 651-2100

Approval Signature



President/CEO

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Date