



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER EL PASO

Operating Policy and Procedure

HSCEP OP: 72.01, **Purchasing Supplies, Equipment and Services**

PURPOSE: The purpose of this Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso) Operating Policy and Procedure (HSCEP OP) is to standardize procedures and assist departments in expediting the purchase of supplies, equipment and services.

REVIEW: This HSCEP OP will be reviewed on November 1 of each even-numbered year (ENY) by the Managing Director of Procurement Services and the Assistant Vice President for Business Affairs or designees, with recommendations for revisions submitted to the Chief Financial Officer or designee by November 15.

POLICY/PROCEDURE:

1. Policy

- a. This HSCEP OP is applicable to all purchases of goods and services except as allowed in paragraphs 2 (a) (b) and (c).
- b. Because TTUHSC El Paso is accountable to the State of Texas, the agency is subject to many state and federal statutes, as well as institutional policy and *Regents' Rules*. It is the responsibility of the Purchasing Department to ensure that all purchases for goods and services are in compliance with policy and statute.
- c. The Director of Procurement Services is delegated the authority to issue purchase orders and is therefore responsible for establishing procedures that comply with the requirements set forth in the policy and statute.
- d. TTUHSC El Paso departmental staffs have the delegated authority to obtain bids for requests that will not exceed \$50,000 and are therefore responsible for ensuring that all ethical standards and procedural processes have adhered to [HSCEP OP 52.06 Standards of Conduct and Ethics Guide](#).
- e. Fund managers and delegated persons are required to demonstrate competence in their responsibilities. Fund managers are responsible for ensuring that delegated persons are technically proficient and adequately trained.
- f. TTUHSC El Paso staff who fail to adhere to HSCEP OP and guidelines regarding procurement and whose actions result in the generation of non-compliant transactions and invoices can have their access and authority to TechBuy, Direct Pay and Purchasing Cards revoked.

2. Purchasing Methods and Processing Guidelines

Procurement Methods - It is critical for TTUHSC El Paso staff to be knowledgeable about available methods to procure goods and services and the rules and policies that relate to these purchasing methods to complete purchase and/or payment requests. A list of the purchase categories which are **not to be processed on a purchase order or requisition** as well as process guidelines are provided below. TTUHSC El Paso employees involved in the purchasing process are responsible for following this operating policy. The Purchasing Department, Purchasing Card Team, and Contracting Office can provide assistance as needed.

a. Purchasing Card Transactions

Purchases up to \$5,000 should be made with the Purchasing Card whenever the vendor accepts credit cards and the purchase is not otherwise prohibited or restricted in [HSCEP OP 72.15, Purchasing Card Program](#).

The Purchasing Card should be identified as the method of payment when the order is placed with the vendor. TTUHSC El Paso employees should never request a vendor transact payment after a product is received or request the clearing of outstanding accounts receivable with the Purchasing Card. This is considered purchasing without authority and will be reported as such to the appropriate fund manager. **When total purchases from a single vendor during a fiscal year are estimated to exceed \$50,000, the Purchasing Card should not be used without the advanced, written approval of the Purchasing Department.**

Written approval must be obtained from IT Division prior to purchasing computer hardware or software with a Purchasing Card.

Written approval must also be obtained from the Facilities Division prior to purchasing any furniture.

b. Professional Services – (Expense Contracts)

Certain professional services that are estimated to exceed \$10,000 during a fiscal year are processed by the TTUHSC El Paso Contracting Office. Professional service categories are further defined in [HSCEP OP 54.04 Professional Services Contracting](#). The procedure for submission of expense contracts related to Professional Services can be found in [HSCEP OP 54.02 Contracting Procedures](#).

Income agreements should be submitted directly in the Contracting system and TechBuy requisitions are not required.

c. Direct Pay Transactions

Transactions submitted in TechBuy using the TTUHSC El Paso Direct Pay Forms are expenditures that the fund manager and delegates are authorized to initiate payment for goods and services that have generally been received, have occurred, or customarily require advance payment **and are specifically identified within [HSCEP OP 72.03, Direct Pay Expenditures](#).**

The following Direct Pay requests are processed using the TTUHSC El Paso Direct Pay Forms accessed through TechBuy:

- Accreditation/Exam Fees*
- Advertising
- Awards, Prizes and Gifts
- Donations to Charitable Organizations
- Employee Reimbursement
- Food and Entertainment*
- Legal Expenditure
- Lodging – Direct Bill
- Magazine/Journal Subscription*

- Membership Dues*
- Postage
- Professional License Fees*
- Registration*
- Sponsorships
- Utilities
- Water/Services & Coffee/Soft Drinks

Categories marked with an * can be processed using the Purchasing Card in compliance with the Purchasing Card Program set forth in [HSCEP OP 72.15](#). NOTE: If using the Purchasing Card, expenditures for membership dues should only be made on local funds.

3. Processing a TechBuy Requisition

TTUHSC El Paso departmental staffs have delegated authority to obtain bids for requests that will not exceed \$50,000. **However, neither fund managers nor the delegated persons are authorized to place an order for goods or services, except as allowed by sections 2 (a), (b), or (c) above. The obligation of the institution for goods and services for which the Purchasing Card cannot be used and are not covered in paragraphs 2 (a) or (c) above will be made via the issuance of a purchase order. Purchase orders will only be distributed to the vendor by the Purchasing Department. The ordering of goods or services prior to the issuance of a purchase order is considered an obligation without authority and will be reported to the fund manager, department chair, and the appropriate dean or vice president.**

No employee, except those who have expressed delegated authority to do so, may sign a letter of intent, agreement, or contract.

a. Determination of Bid Requirements

A written quotation or evidence of a vendor’s pricing should be obtained in advance of submitting a TechBuy requisition. Either informal or competitive bids may be required in accordance with the Bid Limit matrix below. The Purchasing Department reserves the right to require a competitive solicitation for any procurement decision.

TTUHSC El Paso Bid Limits

<p>\$0 - \$50,000.00 No Bid Required</p>	<ul style="list-style-type: none"> • The Federal Funds Micro-Purchase Threshold (MPT) for TTUHSC El Paso has been increased to \$50,000 in accordance with State of Texas Gov’t Code 51.9335(g). • Use vendor of choice, unless otherwise directed by the Purchasing Department. • Departments are encouraged to use contracted vendors to practice good faith to award based on best value.
<p>\$50,000.01 – \$100,000.00 Informal Bid Process</p>	<ul style="list-style-type: none"> • Three (3) responsive written quotes with a minimum of two (2) certified HUB businesses (minority-owned or female owned) required unless the Proprietary Purchase Justification form is attached to requisition and approved by the Purchasing Department. • Departments are encouraged to practice good faith and award based on best value.
<p>\$100,000.01 and Higher Formal Bid Process</p>	<ul style="list-style-type: none"> • The formal solicitation process is completed by the Purchasing Department. • Department assistance is required. • All formal solicitations are posted on the Electronic State Business Daily (ESBD) by the Purchasing Department.

b. Historically Underutilized Business (HUB) Bid Requirements

All purchase requests greater than \$50,000 require bids from at least three (3) suppliers, including a minimum of two (2) bids from Texas certified HUB businesses. In the event the fund manager and delegated person is unable to locate a HUB vendor from the State of Texas Centralized Master Bidders List (CMBL) <https://mycpa.cpa.state.tx.us/tpasscmbsearch/>, written documentation of such is required. The ethnicity and gender of the HUB businesses should be included in the internal notes section of the TechBuy requisition.

c. Independent Contractors

When a TechBuy requisition is submitted to contract with individuals, determination must be made regarding whether an employer/employee relationship exists. In order for the Purchasing Department to gather the information necessary to make this determination, fund managers must complete and sign the "Independent Contractor Questionnaire" located on the Purchasing Department's website at <https://el Paso.ttuhs.edu/fiscal/businessaffairs/purchasing/PurchasingForms.aspx>.

For more information, refer to [OP 72.05, Determination of Employee or Independent Contractor Status](#).

d. Use Federal Funds for Equipment and Services

When the purchase request is for capitalized equipment to be purchased on a federal grant (funds 21XXXX) the "TechBuy Federal Equipment Purchase Form" should be submitted.

All solicitations using federal funds require inclusion of the following:

- a. The percentage of the total costs of the program or project which will be financed with federal money;
- b. The dollar amount of federal funds for the project or program; and

Percentage and dollar amount of the total cost of the project or program that will be financed by non-governmental sources.

e. Required Training

Texas Education Code 51.9337 implies TTUHSC El Paso purchasing authority is conditional upon completion of purchasing/contract training. Section 51.9337(b)(5) provides all officers and employees authorized to execute contracts or exercise discretion in awarding contracts receive training in ethics, procurement methods and technology and information resources procurements. TTUHSC El Paso employees identified for required training include, but is not limited to, those with signature authority to bind the institution, fund managers, TechBuy Users, Purchasing Card holders and participants in solicitation events. Failure to complete training can result in loss of access to TechBuy, use of a Purchasing Card and authority to obligate funds on behalf of the institution. TTUHSC El Paso employees are responsible to complete the training on a biannual basis. The Purchasing Department and Contracting Office hold responsibility for developing, maintaining and administering the training.

f. Additional Notes

1. Large purchases may not be divided into small purchases to avoid bid requirements. If needs can be anticipated, the annual expenditure estimate governs the procedure.

2. A “no bid” or “no response” from a bidder does not qualify as a “responsive bid”. Each request in excess of \$50,000 **must have at least three (3) responsive bids**. Failure to include at least three responsive bids will require additional documentation explaining the circumstances. A Proprietary Purchase Justification must be completed if there is only one supplier.
3. All purchase orders will only be created and distributed from TechBuy as administrated by the Purchasing Department.
4. Any additional information regarding a purchase request including the business purpose of the purchase/procurement should be included in the internal notes section of the TechBuy requisition and will not be included when the PO is distributed.
5. No person has the authority to commit TTUHSC El Paso for any purpose (e.g. enter into agreements) except as authorized in [Regent Rules, Section 07.12](#) and [HSCEP OP 10.11](#), Delegation of Authority by the President.
6. An invoice dated prior to the issuance of a TechBuy purchase order is considered a violation of institutional policy and state statute. The violation will be reported to the fund manager, department chair, and the appropriate dean or vice president.
7. Requests to reimburse employees are a violation of institutional policy, except for those items for which reimbursement are expressly allowed in [HSCEP OP 72.03, Direct Pay Expenditures](#). An individual cannot authorize their own reimbursement. Reimbursements require the approval of a person administratively superior to the individual being reimbursed.
8. Principle Investigators and fund managers are responsible for purchase restrictions on grants or other funding sources that are awarded with stipulations.
9. The Texas Constitution and the General Appropriations Act prohibit a state agency from incurring obligations in excess of amounts lawfully appropriated by the Texas Legislature over the course of a biennium. If any excess obligation is incurred that violates the General Appropriations Act or the Texas Constitution, the State Auditor shall certify the fact of the violation and the amount of over-obligation may be withheld from the salary or other compensation due to the responsible disbursing or requisitioning officer or employee, and apply the amount to the payment of the obligation. Therefore, no purchase order or agreement that is for a period longer than the current biennium will be approved without a funding out clause.