



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER EL PASO

Operating Policy and Procedure

HSCEP OP: 72.02, **Guidelines for Proprietary Purchasing**

PURPOSE: The purpose of this Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso) Operating Policy and Procedure (HSCEP OP) is to establish the policies and procedures to be followed when making proprietary purchases.

REVIEW: This HSCEP OP will be reviewed on November 1 of even-numbered years (ENY) by the Managing Director of Purchasing or designee, with recommendations for revisions submitted to the Chief Financial Officer or designee by November 15.

POLICY/PROCEDURE:

1. **Policy.**
 - a. Texas Government Code, Title 10, Subchapter A, Sec. 2155.063 provides that a purchase of or contract for goods or services shall, whenever possible, allow competition.
 - b. Purchasing will evaluate the specifications and conditions of goods or services being considered for purchase. If it is determined that the specifications or conditions limit the purchase to a proprietary good or service from a single manufacturer, without allowing for competition or an equivalent option, the requesting department must provide justification for the need for the proprietary item.
 - c. Proprietary purchases in excess of \$50,000.00 must be justified in writing.
2. **Proprietary Products.** Proprietary products are manufactured under exclusive rights derived from a trade name, patent, copyright or other legally protected right. Products of one manufacturer will be considered as proprietary if they have a distinguishable feature or characteristic that is not shared or provided by similar and competing products.
3. **Proprietary Services.** Proprietary services are defined as services that only one provider can perform.
4. **Procedure.** Requests for proprietary purchases should only be used when the need is such that competition is restricted to one manufacturer or service provider. This procedure is implemented by completing and attaching the "Sole Source or Proprietary Purchase Justification" form (Attachment A). The form can be found on the Purchasing website at <http://elpaso.ttuhscc.edu/fiscal/businessaffairs/purchasing/>.

It is important to note that the need should not be justified, but rather why a proprietary good or service is required to meet the need.