



PRAIRIE VIEW A&M UNIVERSITY

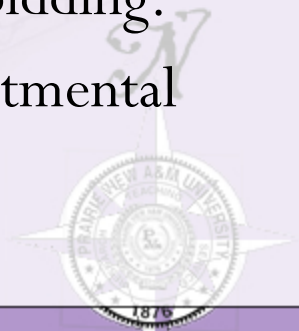
Office of
Procurement, Contracts and Reconciliations
and the
State of Texas HUB Program
Process Overview



LEARNING OBJECTIVES

By the end of this presentation, you will:

- ✓ Understand the responsibilities of the University employees, procurement services staff and agencies of higher education in the procurement of goods/services.
- ✓ Understand the general Procurement, Contract and HUB Program processing guidelines.
- ✓ Be aware of the bid requirements and the exceptions.
- ✓ Be aware of existing State contract systems (TERM, TXMAS, DIR) and various group purchasing agreements (Buy Board, HCDE, E&I, etc.), from which you can purchase goods/services without bidding.
- ✓ Have resources to aid in compliance and to satisfy your departmental procurement needs.



Responsibility

- University employees involved in the procurement of goods and services have a responsibility to uphold State of Texas procurement laws, Texas A&M System policies, and University rules and too serve the best interests of PVAMU.
- Procurement Services Staff are responsible for providing support to University departments by procuring requested goods/services in the most efficient manner, and at the best value to the University.
- In accordance with Texas Government Code 2161, state agencies, including agencies of higher education, shall make a good faith effort to utilize Historically Underutilized Businesses (HUBs) when purchasing goods and services.



Purchasing Guidelines

- Except for approved procurement card purchases or exempt purchases (object codes recorded on FAMIS screen 306), employees are not to commit/authorize the purchase of any good or service without an approved purchase order.

PVAMU APM 21.99.99.PO.02

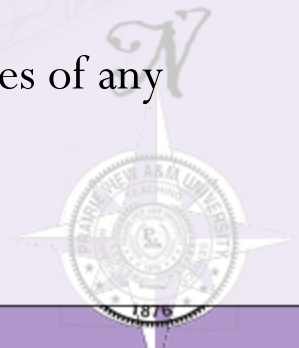
<http://www.pvamu.edu/include/UAP/21.99.99.P0.02.pdf>

All purchases from outside vendors must be acquired by the issuance of a Purchase Order

TAMU Policy 07.01

<http://tamus.edu/offices/policy/policies/pdf/07-01.pdf>

TAMUS employees shall make no unauthorized commitments or promises of any kind purporting to bind TAMUS



Definition of Historically Underutilized Business (HUB)

A HUB is a business that is formed for the purpose of making a profit and that is otherwise a legally recognized business organization under the laws of Texas. A HUB must be at least 51 percent owned by one or more persons who are economically disadvantaged due to their identification as members of certain groups. The groups include Black Americans, Hispanic Americans, Asian Pacific Americans, Native Americans, and Women. These individuals must have a proportionate interest and demonstrate active participation in the control, operation, and management of business affairs. A HUB must also have its principal place of business in the state of Texas.



Commitment to the State of Texas HUB Program

The goal of the University's Historically Underutilized Business (HUB) Program is to increase procurement opportunities for minority and woman-owned businesses. The program includes components designed to increase awareness, provide education, and encourage participation by actively working with both university staff and the vendor community. Through the Historically Underutilized Business Program and in accordance with the General Appropriations Act, 75th Regular Session, House Bill No. 1, Article IX, Section 124, PVAMU seeks to:

- Assist businesses in obtaining state HUB certification
- Educate HUB vendors about the University's procurement policies and procedures
- Increase the number of HUB vendors contacted for procurement opportunities
- Encourage HUB vendors to participate in the University's purchasing process
- Inform HUB vendors about PVAMU procurement opportunities
- Ensure that prime contractors provide subcontracting opportunities for HUB vendors



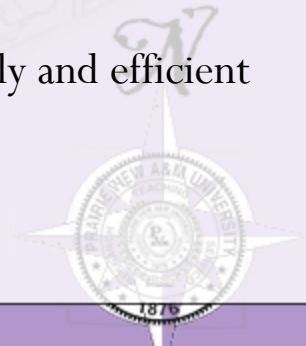
PURCHASING AND VENDOR SELECTION

Prairie View A&M University purchases a wide variety of commodities and services each fiscal year. Most routine orders for items such as office furniture, equipment, and supplies, are made through term contracts or group purchasing agreements established by Texas Procurement and Support Services.

Computer and telecommunications related purchases also make up a significant portion of the university's expenditures, and are generally purchased from DIR agreements.

PVAMU obtains the names of prospective vendors from the Texas Procurement and Support Services Centralized Master Bidders List (CMBL) and HUB Directory. Vendors who would like to do business with the university may contact PVAMU Procurement Staff or TPASS and request a CMBL/HUB application.

PVAMU constantly seeks quality vendors who can fulfill the university's needs in a timely and efficient manner at a competitive price.



Procurement Process

- Determine Need
- If purchases are under \$2,000, use the Procurement Card when applicable or enter requisition and submit supporting documentation to purchasing.
- If purchases are \$2,000.01 and above then the following must be determined:
 - a) If purchase is off the state contract or cooperative contracts, submit requisition with supporting documentation (vendor quotes & reference to contract).
 - b) If purchase is sole source, then submit requisition, submit supporting documentation, provide sole source justification.
 - c) If purchase is for competitive bid process then consider the following:
 - If below \$10,000 submit quotes (3 written bids to include 2 HUB) or send detailed scope of work or specification and requisition to Procurement Office.
 - If \$10,000.01 and above then submit detailed scope of work or specifications along with requisition to Procurement Office.



Keys to Efficient Purchasing

PLAN AHEAD

– Consider by Quarter or Semester Departmental Needs

- Prepare lists of similar items to be purchased from one vendor
- PVAMU departments are strongly encouraged to purchase goods and/or services from Historically Underutilized Businesses (HUB's).
- Freight or shipping costs must be included in the delegated dollar amount.
- Purchases **may not** be divided into small lot purchases to circumvent bid requirements.
- Obtain 3 written quotes from vendors, if estimated total is under \$10,000
 - CMBL <http://www2.cpa.state.tx.us/cmb/cmbhub.html>
 - Submit electronic requisition and quotes
 - Allow a minimum of 3 business days for receipt of Purchase Order
- Over \$10,000, submit detail specifications to Procurement for bidding

– NOTE: Best Ways To Pay Premium Pricing

- RUSH ORDERS
- NON-INCLUSION OF COMPETITION
- Poorly written specifications
- Change Orders
- Submit Requisitions in a timely manner
- Follow-up with Buyer (FAMIS 914 – Document Routing History)



BID PROCEDURES:

It is the responsibility of the assigned Buyers in the Procurement Office to solicit bids from vendors as required by State law and University procedures to help ensure that the University obtains the best product at the best price. Bids are received by Procurement staff.

BID REQUIREMENTS:

Bids are only required for purchases greater than \$2000 (including freight). However, if the assigned Buyer determines from experience that the amount on a requisition is significantly high for the item's being ordered, he/she will solicit quotes from other vendors.

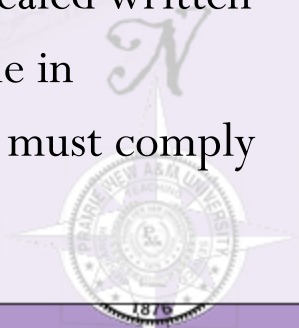


Informal Bids range of \$2,000.01 - \$10,000.00

A minimum of three written bids, include two bids from certified HUB vendors. HUB bids must include two businesses, as certified by the Texas Procurement and Support Services (TPASS). If bids are not obtained from HUB vendors, clear documentation must be provided as a justification. Bids must be obtained and documented on a Bid Tabulation form for all solicitations (faxes and emails are acceptable). Informal bids may be obtained by departmental personnel request to vendor or by Procurement staff. Vendor response time must be fair and reasonable for vendors to respond and is determined by the requestor. Response time periods and the same specifications must be provided to all vendors. Equal vendor bid responses may not be disclosed to competing vendors.

Formal Bids

Formal Bids are required for purchases reasonably expected to exceed \$10,000 and is handled exclusively by Procurement Office. The Formal Bid process requires sealed written bids and must be advertised for a minimum of 14 days. Faxes are only acceptable in accordance with submittal instructions within the bid. The Formal Bid process must comply with State of Texas HUB rules.



\$\$\$ Considerations and Processing Time

Amount	Bid Requirements
\$0 - \$2,000	No bids required (2 days)
\$2,000.01 - \$10,000	Three (3) Written bids (Faxes or e-mails; must include 2 HUB's) (3-5 days)
Over \$10,000 - \$25,000 Over \$25,000	Sealed Written bids (minimum) 14 days 21 days



Exceptions to Bid Requirements

- Emergency Purchases
 - Life Threatening
 - Inability to Perform a Mandatory Task
 - Results in a greater expense
- Proprietary/Sole Source Purchases
- State Contract or Catalog Purchases
- Group Purchasing Programs



Contract Agreement Processing

- Contracts may only be legally executed by designated individuals
 - Vice President for Business Affairs
 - University President
- Department Duties Prior to Submission of Contract for Execution:
 - Carefully review terms and conditions
 - Document & communicate potential problem areas
 - Budget authority must initial near signature block
 - Submit FAMIS purchase requisition to support executed agreement
 - Submit contract with a Contract Cover Sheet to Contract's Office (B.A. Forms Library on the Web)
- Contract Office Duties (Allow a minimum of 5 days processing time)
 - Work with Procurement staff on bidding and reporting requirements
 - Review contract and make necessary modifications to terms
 - Negotiate terms with vendor
 - Forward for TAMUS OGC for review (when applicable) and approval by Vice-President for Business Affairs
 - Contract is forwarded to contractor for counter-signing
 - A copy of fully executed agreement will be forwarded to the department and Procurement

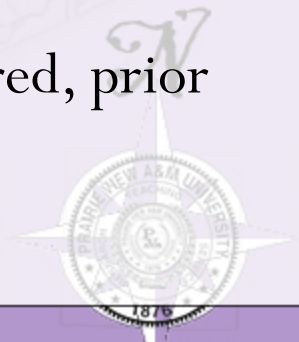


Contracting with Individuals

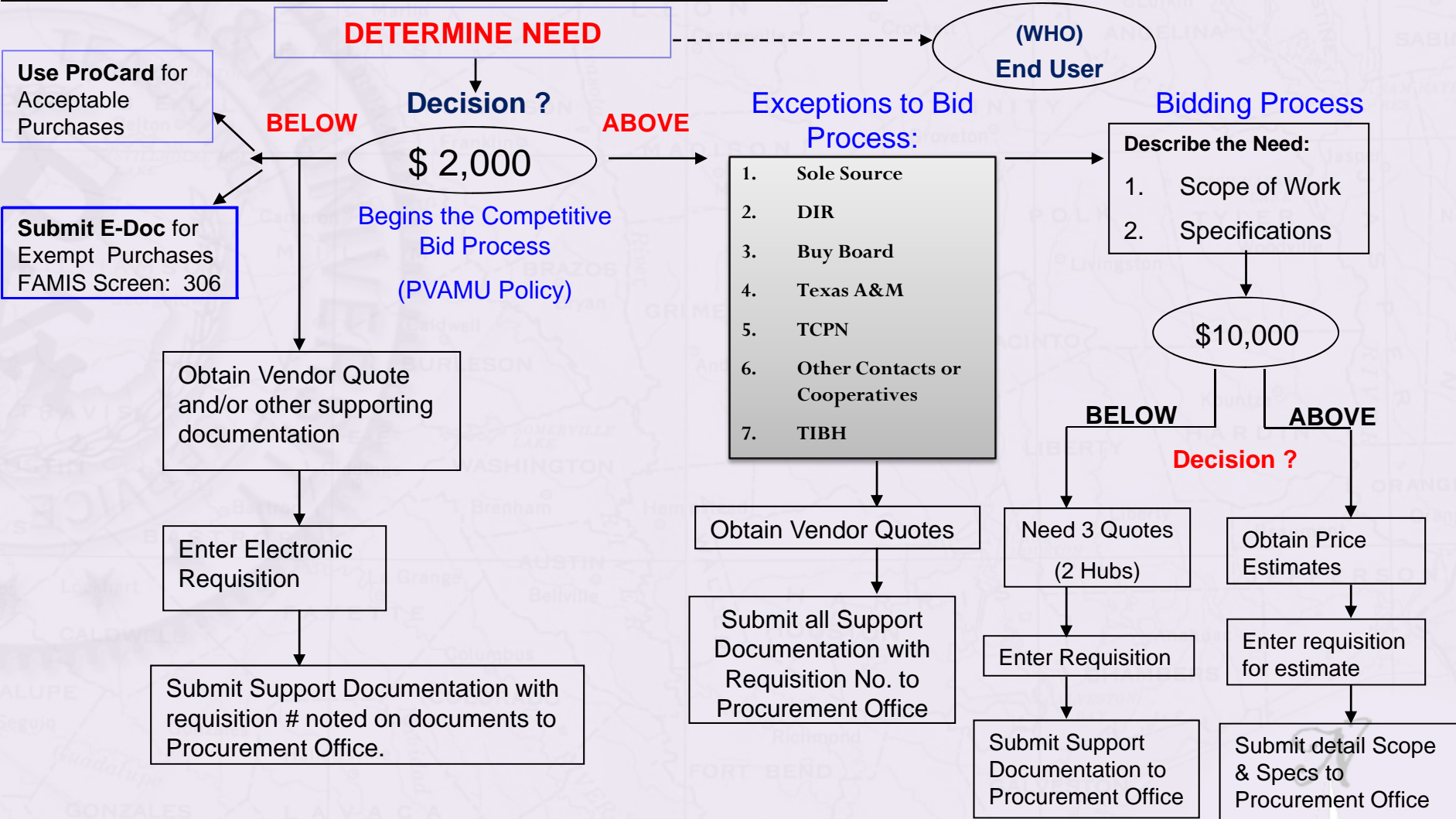
Independent Contractors

- Complete Independent Contractor Checklist
- Complete the Independent Contractor Certification (Refer to Business Affairs Forms Library on the Internet for required forms)
- Develop and submit a detailed Scope of Services, to include clear expectations, milestones, reports, and payments
- Submit electronic purchase requisition in FAMIS **and** forward supporting documents to Procurement
- Submit Performance Report or Invoice to Accounts Payable, upon completion of services

Reminder: Commitments are not to be made or services rendered, prior to receipt approved purchase order.



PURCHASING PROCESS FLOW CHART



Note:

Requisitions must be approved and PO's issued prior to goods and services being ordered.

*Any goods being ordered or services rendered without a PO will be considered a violation.



DELEGATION OF AUTHORITY

PRAIRIE VIEW A&M UNIVERSITY *Administrative Procedures Manual*

25.07.01.P0.01 Contracting Delegations

Issued: May 15, 1998

Supersedes: APM 2.02

<http://www.pvamu.edu/include/UAP/25.07.01.P0.01.pdf>

1. System Policy (25.07.01) requires the CEOs of each agency and institution of higher education in The Texas A&M University System to annually update and submit its contracting delegations to the Chancellors Office for approval by the Board of Regents.
2. Each Vice President, Dean, Director and Department is responsible for ensuring that all contracts are processed through the appropriate administrative channels for reviews and approvals, as indicated in the contracting delegations.
3. The Vice President for Business Affairs or his/her designee(s) will review all contracts, coordinate the requisite reviews by the System Office of General Counsel and will verify compliance with the contracting delegations.



FY 2010 Training Dates

Office of Procurement and Contracts and the State of Texas HUB Program

- April 6, 2010
- May 11, 2010
- June 8, 2010
- July 6, 2010
- August 10, 2010



OFFICE of PROCUREMENT, CONTRACTS and RECONCILIATIONS

- **W. Kay Peavy**
Director
E-mail: wkpeavy@pvamu.edu
Phone: (936) 261-1933
- **Jim Nelms**
Procurement Supervisor & HUB Coordinator
E-mail: janelms@pvamu.edu
Phone: (936) 261-1932
- **Marie Robinson**
Financial Associate
Email: bmrobinson@pvamu.edu
Phone: (936) 261-1934
- **Randy Millin**
Contract Supervisor & Procurement Specialist
E-mail: rlmillin@pvamu.edu
Phone: (936) 261-1930
- **Aaron Little**
Procurement & Contract Specialist
Email: adlittle@pvamu.edu
Phone: (936) 261-1741
- **Courtney Stewart**
Buyer
Email: crstewart@pvamu.edu
Phone: (936) 261-1937
- **Michael L. Simms, Sr.**
Buyer
E-mail: mlsimms@pvamu.edu
Phone: 936-261-1935

