UAP Purpose

Procurement Procedures are to serve as the guide for the purchase of goods and services at Prairie View A&M University (PVAMU). This includes purchases that exceed the purchasing delegation of authority provided to department personnel as well as other small dollar purchases required to be processed through the Procurement Office (i.e. unallowable pro-card expenditures, services, purchases for which a vendor will not accept the pro-card, etc.). These procedures incorporate standards for implementing the requirements of Texas statutes, System Regulation 25.07.03 Acquisition of Goods and/or Services and best practices for the purchase of goods and services at PVAMU. This procedure is a necessary resource to ensure the application of consistent and sound business practices in purchasing.

Definitions

Bid - an offer to contract with the University that is submitted in response to a bid invitation. Bids are usually non-negotiable.

Emergency Purchase - a situation requiring the University to make a procurement more quickly to prevent a hazard to life, health, safety, welfare, property or to avoid undue additional cost to the state. When a purchase is deemed to be an emergency, a written emergency purchase justification must be submitted by the requesting department. The justification is subject to review and approval by the Procurement Office Director or Supervisor and the Senior Vice President for Business Affairs and must be maintained in the procurement file in accordance with the University’s records retention requirements.

Encumbrance - funds set aside or reserved against a designated account to support a requested purchase. Funds are automatically encumbered when a purchase requisition, purchase order, exempt document, or limited document is closed in the Financial Accounting Management Information System (FAMIS).

End User - the department requesting to make a purchase who will ultimately receive the goods or services ordered.

Exempt Document (E-Doc) - a document created in FAMIS to capture descriptive and financial information that pertain to the purchase of commodities, regardless of the dollar amount, when the purchase is exempt from PVAMU and state purchasing requirements. In addition, the commodities are in an approved purchase category code as outlined in the related procedures.
**Exempt Purchases** - purchases of commodities that are exempt from PVAMU and State Comptroller purchasing requirements. Purchases are classified as exempt when it has been determined that the competitive bid process adds no measurable value due to the nature of the purchase. Although exempt purchases are exempt from the bid process, they are still subject to state guidelines pertaining to allocation and use of funds as well as PVAMU compliance guidelines and procedures.

**Expenditure** - the act of expending or disbursing funds. As it relates to procurement, expenditure is the transaction that is posted to a departmental account when payment is made to the vendor.

**FAMIS** - the Financial Accounting Management Information System used exclusively by Texas A&M University System to manage accounting activity and prepare reports. (Contact the Financial Administration Office for access, training, and information).

**Goods** - supplies, materials, or equipment.

**Group Purchasing Program** - a program administered by a business entity that offers discount prices on goods and services to participants in the program.

**Historically Underutilized Business (HUB)** - a minority or woman-owned business as defined by Texas Government Code Title 10, Subtitle D, Chapter 2161. (Also see State Purchasing – Historically Underutilized Business (HUB) Program).

**Liquidate** - to release funds that were previously encumbered. Funds may be liquidated by payment of a commitment or by modification or completion of a purchase requisition or purchase order (PO).

**Limited Document (L-Doc)** - documents created in FAMIS in order to record the purchase of commodities that are below the PVAMU and State Comptroller dollar bid requirements. Currently, the threshold amount for PVAMU is $5,000 for all funding sources (state and local accounts).

**Proprietary or Sole Source Purchase** - a proprietary product or service has a distinctive characteristic that is not shared by competing products or services. When the specification limits consideration to one manufacturer, product or service provider, a written proprietary purchase justification must be submitted by the requesting department. The justification is subject to review and approval by the Procurement Office Director or Supervisor and must be maintained in the procurement file in accordance with the University’s Records Retention Schedule.

**Purchase Order (PO)** - an official document issued by the Procurement Office staff to a vendor indicating the type, quantity and agreed prices for products or services the seller will provide to the buyer. Sending a PO to a supplier constitutes a legal offer to buy products or services. Acceptance of a PO by a seller usually forms a contract between the buyer and seller. No contract exists until the PO is accepted. POs should provide detailed descriptions (specifications) such as the quantity and price of the item(s) to be purchased, specific terms for payment, liability and freight responsibility, and required delivery date.

**Purchase Requisition** - an electronic document created in FAMIS to identify and communicate end user needs to the Procurement Office. It is a formal request to purchase goods or services...
that exceeds the department’s delegated purchasing authority or that are required to be processed through the Procurement Office.

**Request for Proposal (RFP)** - a formal request for proposals concerning goods or services the University intends to acquire by means of a competitive sealed proposal process.

**Service** - the furnishing of skilled or unskilled labor or professional work, but does not include:

- professional services subject to [TX Gov't Code Chapter 2254, Subchapter A](#);
- services of a state agency employee;
- consulting services or services of a consultant as defined by [TX Gov't Code Chapter 2254, Subchapter B](#); or,
- services of a public utility.

**Specification** - a detailed description of a product or service that a user seeks to procure as well as a description of what a bidder must offer to be considered for an award.

**Unallowable Purchases** - purchases that are not allowed from a particular funding source.

**Vendor** - a business entity or individual that has a contract to provide goods or services to the University. Used interchangeably with the term “contractor” or “supplier”.

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### Official Procedures and Responsibilities

**1. RESPONSIBILITIES**

1.1. University employees involved in the procurement of goods and services have a responsibility to uphold Texas procurement laws, Texas A&M University System policies and rules and to serve the best interests of PVAMU. This responsibility requires a thorough knowledge of [The State of Texas Procurement Manual](#) and the [Texas A&M University System Disbursement of Funds Guidelines](#) as well as the PVAMU procurement procedures in this University Administrative Procedure.

1.2. It is the responsibility of the Procurement Office staff to provide support to University departments by purchasing requested goods and services in the most efficient manner and at the best value to the University.

**2. BIDDING PROCEDURES**

2.1. The University will utilize the following thresholds for bids when making purchases:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Bid Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000 or below</td>
<td>No bid required</td>
</tr>
<tr>
<td>$5,000.01 - $25,000.00</td>
<td>Three written bids (Faxes and e-mails acceptable. Must comply with HUB Rules to include bids from at least two certified HUBs)</td>
</tr>
<tr>
<td>Amount</td>
<td>Bid Requirement</td>
</tr>
<tr>
<td>------------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>$25,000.01 or above</td>
<td>Sealed written bids</td>
</tr>
<tr>
<td></td>
<td>Must be advertised for a minimum of 14 days or 21 days for Construction bids</td>
</tr>
<tr>
<td></td>
<td>(Faxes and e-mails are only acceptable in accordance with submittal instructions</td>
</tr>
<tr>
<td></td>
<td>within the bid. Must comply with HUB Rules to include bids from at least two</td>
</tr>
<tr>
<td></td>
<td>certified HUBs)</td>
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</tbody>
</table>

2.2 Exceptions to bid requirements may be approved by the Procurement Office Director or Supervisor. Allowable justifications for exceptions include:

2.2.1 Emergency purchases (justification required);

2.2.2 Proprietary (sole source) purchases (justification required);

2.2.3 State contract purchases;

2.2.4 Group purchases to include cooperative or other available contracts; and,

2.2.5 Best Value purchases based upon Texas Education Code Sec. 51.9335 (justification required).

2.3 Additional bids may be required by the Procurement Office staff if the bids received appear too high or when it is deemed to be in the best interest of PVAMU.

3. PURCHASING METHODS

3.1 Procurement Card for purchases under $2,000, purchases within a department’s delegated limit, or purchases approved by Procurement Office management. (See Procurement Card Guidelines).

3.2 FAMIS Exempt Document (E-Doc) for purchases determined to be exempt from PVAMU and State purchasing requirements and is in an approved purchase category code as outlined in the related procedures. (See Exempt Purchase Procedures).

3.3 FAMIS Limited Document (L-Doc) for purchases under $5,000, for which it has been determined that the competitive bid process adds no measurable value due to the dollar amount and nature of the purchase. (See Limited Purchase Procedures).

3.4 Purchase Order (PO) for purchases required to be processed through the Procurement Office.

3.5 Reference the remainder of this procedure and other information on the Procurement web page.

4. PURCHASE REQUEST/INITIATION
4.1 The end user will communicate to the Procurement Office the goods or services needed by submission of a purchase requisition in FAMIS. The requisition should include the specifications of the goods or services that the end user seeks to procure.

4.2 Specifications are the primary means of communication between the end user and the Procurement Office and between the Procurement Office and a vendor, and therefore must provide specific details to describe the desired purchase. Specifications control the following procurement aspects:

   4.2.1 Quality of the product;
   4.2.2 Amount of competition;
   4.2.3 Suitability of the product or service for the job; and,
   4.2.4 Method of evaluation used in making an award as well as determining the bid with the best value for the purchase.

5. PURCHASE APPROVAL, MODIFICATION, AND CANCELLATION

5.1 After obtaining the required approvals in FAMIS, the purchase requisition is routed to the central desk in the Procurement Office. The Procurement Office Director or Supervisor will assign the purchase requisition to a Buyer for processing. The Buyer will validate the information on the purchase requisition and obtain bids, quotes, or other criteria to aid in the vendor selection. The purchase will be awarded by issuance of a purchase order to the vendor required by statute or determined to provide the best overall value to the University. A copy of the PO will be forwarded to the vendor and the requesting department.

5.2 Any changes in specifications, prices or other terms must be requested through the Procurement Office and a modification will be made to the original order.

5.3 If an approved purchase is determined not to be needed, the requesting department must notify the Procurement Office in writing to request cancellation of the order with the vendor and liquidation of the funds.

6. PURCHASE VIOLATIONS

6.1 Failure of an employee to follow the above procedures constitutes a purchasing violation. Copies of documents supporting purchases found to be in violation of University procurement procedures are to be forwarded to the Procurement Office Director for review, documentation and approval for processing as deemed necessary. Departments submitting a purchase requisition to the Procurement Office for a good or service already ordered or received (after the fact) by the requesting department will be subject to the following administrative actions:

   6.1.1 **First and Second Violation** - If the purchase violation is the account holder’s first or second non-compliance notice in a fiscal year, the Director of Procurement will issue a letter to the account holder and the individual responsible for making the commitment. The letter will inform
the account holder and the employee of the University's guidelines, the proper procurement procedures and any administrative actions that will be taken in the event of additional violations. Additionally, a letter will be mailed to the vendor to inform them of the University's procurement guidelines which require a PO prior to filling an order for delivery of goods and services; and,

6.1.2 **Third and Subsequent Violations** - If an account holder has more than two purchase violations within a fiscal year, the Director of Procurement will issue a letter to the account holder and the individual responsible for making the commitment. The letter will inform the account holder and employee of the University's guidelines and the proper procurement procedures. The letter will also require the person responsible for the purchase to submit a memorandum to the Senior Vice President for Business Affairs (SVPBA), through the account holder, explaining why the proper procurement procedures were not followed and what actions will be taken in the future to avoid additional violations. Based upon the justification provided, the SVPBA may take any action(s) deemed appropriate for the infraction. Possible actions may include, but are not limited to the following:

6.1.2.1 Accepting the explanation and approve the purchase;
6.1.2.2 Issuing a warning letter;
6.1.2.3 Issuing a letter of reprimand;
6.1.2.4 Requiring the employee to pay for the goods or services; or,
6.1.2.5 Revoking budget head authority.

6.1.3 **Procurement, Contract, and HUB Training** – Training is mandatory for any budget authority receiving more than two non-compliance notices within one fiscal year. Refer to the Business Affairs Training Calendar for schedule of trainings.

7. **ADDITIONAL APPROVALS AND RESTRICTIONS**

7.1 Some purchases require review and approval by other departments that have oversight responsibility for the item(s) to be purchased prior to issuance of a purchase order.

7.2 Requesting departments are encouraged to obtain and submit the required approvals with the purchase requisition. When prior approval is not obtained, the Procurement Office staff will attempt to obtain the approvals. However, if a problem arises in obtaining the approvals, the purchase requisition will be returned to the requesting department to resolve the problem with the oversight department before approval of the purchase will be granted.

7.3 Below is a list of items (and the oversight department) that should be routed for approval before initiation of the procurement process. The list is not intended to be all inclusive. Buyers will consider whether a department other than the
requesting department has an interest in the items to be purchased and make inquiries as warranted to ensure proper handling.

7.3.1 Orders of $100,000 or more – HUB Office;

7.3.2 Information Technology (IT) equipment or software – Information Technology Office;

7.3.3 IT equipment or software for the network or security sensitive purchases – Information Security Officer;

7.3.4 Physical Plant Operations;

7.3.4.1 Vehicle purchases – Fleet Management/Transportation

7.3.4.2 Building or grounds maintenance and repairs – AVP for Physical Plant

7.3.4.3 Installation of building signage – AVP for Physical Plant

7.3.4.4 Construction – Facilities Maintenance or TAMUS Facilities Planning and Construction

7.3.5 Reproduction of University registered logos for resale – Auxiliary Services;

7.3.6 Chemical or hazardous waste supplies, equipment, or disposal – Environmental Health and Safety;

7.3.7 Institutional memberships - Must be routed and approved by the President on the Membership Justification Form; and,

7.3.8 Print materials for distribution using University logos, emblem, etc. - Office of Student Affairs and Institutional Advancement.

8. UNALLOWABLE PURCHASES

8.1 Employees committing funds on behalf of the University are responsible for ensuring purchases are allowable. Below is a list of unallowable purchases that may not be purchased with educational and general state funds:

8.1.1 Alcoholic beverages (may only be purchased from Concession or Interest Income Accounts and must be approved by the President or designee, prior to purchase).

8.1.2 Membership fees.

8.1.2.1 State funds may not be used to pay a membership fee or dues to a Professional organization unless the head of the agency, or his/her designee, reviews and grants prior written approval for the expense. State agencies may pay a membership fee to a professional organization if the agency has specific or implied statutory authority for the payment; the payment would serve a
public purpose; and the agency would receive adequate consideration/benefit in exchange for the payment.

8.1.2 No funds may be used for memberships in neither discount clubs such as SAMS or Costco nor any social club.

8.1.2.3 Memberships in professional organizations should be in the name of the University and not in the name of the individual. In instances where a professional organization requires a membership to be in the name of an individual, this requirement should be documented and attached to the justification form for membership fees.

8.1.4 In the interest of conserving funds, the University requires justification and approval of all memberships before processing them for payment. A *Justification for Request for Memberships or Dues to Professional Organizations* form must be completed and routed for approval. The form must be submitted along with the vendor invoice, when submitting payment documents (i.e., procurement card, Exempt Document, Purchase Requisitions for processing).

8.1.3 Promotional purchases (items given away to promote the university), unless specific statutory authority is given.

8.1.4 Promoting and advertising.

8.1.4.1 The University may not use money to publicize or direct attention to an officer or employee of state government. The university also can not engage in advertising or public relations campaigns, unless given specific statutory authority to do so.

8.1.5 Support or maintenance of alumni organizations and activities.

8.1.6 Food purchases such as sugar, coffees, cream, or similar items that employees or visitors of institution would consume.

8.1.7 Any purchase that is not official University business.

8.2 Purchases of gift cards must comply with University procedures and applicable federal, state, and System regulations and require prior written approval from the Office of Accounts Payable Office.

8.3 Renting, leasing or purchasing of 15-passenger must comply with University procedures and applicable federal, state, and System regulations and require prior written approval from the Office of Procurement.

8.3 Some purchases are permitted from educational and general state funds with restrictions as stated below:

8.3.1 Food restricted to employee/prospective employee meals on overnight travel and meals related to research or teaching in a class or lab setting.
Food purchases must be clearly documented and coded as Food Purchases (expense object code 4050) if directly related to conferences, seminars, research or teaching. Expenses for food and/or refreshments from local or institutional funds are also authorized to the extent that such expenses enable the University to carry out its educational function pursuant to Texas A&M System Regulation 21.01.12. Food purchases for business meals and other allowable purchases other than business meals must be coded appropriately as designated in the University FAMIS Expense Object Subcodes.

8.3.2 Plants restricted to purchases of vegetation, dirt, potting soil, fertilizer, and seeds need for erosion prevention, research, or agriculture.

8.3.3 Student travel, only as allowed by Texas Government Code - Section 660.004, for the Academy of Collegiate Excellence and Student Success Program, Research Apprenticeship Program, and Prairie View A&M Undergraduate Medical Academy.

8.3.4 Consulting Services Contracts, which must comply with Texas Government Code, Chapters 2155 – 2158.

8.3.5 Refer to the Texas Comptroller’s expenditure website for additional restrictions.

9. INDEPENDENT CONTRACTORS

9.1 Purchases of services from independent contractors (guest lecturers, researchers, trainers, disc jockeys, etc.) are to receive the same consideration as other goods or services to determine if the service is biddable. (See Bid Limits in Section 2 above).

9.2 Vendor selection reminder - A vendor is not approved to provide services until a purchase order has been issued.

9.3 If the service to be provided exceeds $5,000; can be obtained from multiple sources; there is no justification for making the purchase from a particular source (i.e. instruction, research, etc.); and it is not an emergency, then the purchase will require bidding to select a vendor. Otherwise, the order will be placed with the vendor selected by the department.

9.4 Below is a list of required documentation from the requesting department. A PO will not be issued until all the required forms are completed, approved and received in the Procurement Office.

9.4.1 FAMIS purchase requisition;

9.4.2 Completed Contract Cover Sheet;

9.4.3 Detailed scope of work (SOW) which should include a clear description of the services to be provided, such as dates of performance, schedules, reporting requirements, milestones, other specific expectations from the vendor and payment terms (i.e. upon completion of service, after
submission of reports, monthly upon submission of invoice, etc.). If necessary, the SOW may be submitted as a separate document to support the purchase requisition;

9.4.4 If fees exceed $5,000 or services to be performed include complex specifications or terms and conditions which make it prudent to have an agreement signed by both parties, the request will be forwarded to a contract specialist for preparation and execution of a contract;

9.4.5 Completed Employee/Independent Contractor Classification Checklist;

9.4.6 Completed and approved Employee/Independent Contractor Certification (Requires approval by the Office of Human Resources or Payroll Office and the Accounts Receivable Office); and,

9.4.7 Independent Contractor Performance Report (Only required for payment).

10. DELIVERY OF SERVICES

10.1 Upon receipt of goods from Central Receiving or directly from the vendor purchased by PO or L-DOC, department personnel are responsible for completing the appropriate receiving document in FAMIS.

10.2 Services provided to the University are generally provided to the requesting department. The department receiving the services is responsible for completing the receiving document in FAMIS.

10.3 Within three (3) business days of receipt, all receiving must be entered into FAMIS using screens 321, 322 and 326. See FAMIS On-Line Manuals (Receivers Manual) or contact PVAMU Procurement or Accounts Payable for additional assistance.

11. BILLING FOR PURCHASES

11.1 Invoices or billings should be sent directly to the Accounts Payable Office by the vendor as directed on the PO. However, vendors occasionally do submit invoices directly to the departments. In this event, it is the responsibility of the receiving department to forward the invoice to the Accounts Payable Office along with the requisite proof of delivery within three (3) business days.

11.2 When an invoice is received for an amount greater than the purchase order amount, a documented copy of the invoice will be forwarded to the responsible Buyer in the Procurement Office for resolution with the vendor of the disputed amount. The Buyer will request corrected billing from the vendor or adjust the PO accordingly. A documented copy of the invoice will be returned to the Accounts Payable Office to explain what action was taken to resolve the dispute.

12. PAYMENT FOR PURCHASES

12.1 The invoice, purchase agreement and receiving report will be verified in FAMIS. Absence of any of these items will delay payment. If all three items are present, a purchase voucher is prepared in FAMIS and processed for payment.
12.2 Funds previously encumbered to support the purchase are liquidated and the purchase is expensed against the account designated on the purchase requisition and purchase order.

12.3 Payment will be made to the vendor by check or direct deposit within 30 days of the latter; receipt of a correct invoice, receipt, or receipt of goods or services.

13. REQUEST FOR PROPOSAL PROCEDURES

13.1 A request for proposals (RFP) is used to competitively select vendors/contractors when competitive bidding is not feasible. This process is similar to the bid process; however, other than a low bid, the vendor selection is based upon pre-established and published criteria. A negotiation phase is included, and a best and final offer is permitted.

13.2 To initiate the process, the requesting department must request a sample RFP from the Procurement Office to assist in drafting the RFP. The requesting department will submit the RFP draft to the Procurement Office for review and modification, as necessary, prior to issuance. The requesting department will identify appropriate selection criteria that are considered key issues of concerns. Examples of such selection criteria include:

13.2.1 Number of years the company has been in business;
13.2.2 Experience of the company in area of desired services;
13.2.3 Financial strength of the company;
13.2.4 Proposed charge/income to the University;
13.2.5 Quality of similar program/services provided elsewhere, and
13.2.6 Compliance with specification in the RFP.

13.3 The Procurement Office, in coordination with the requesting department will develop a calendar of events that will include the following:

13.3.1 Issue date,
13.3.2 Vendor tour question and answer session date,
13.3.3 Response date,
13.3.4 Closing date for submission of the proposals,
13.3.5 Negotiation period,
13.3.6 Award date, and
13.3.7 Vendor selection.
13.4 The RFP process also includes appointment of a selection committee comprised of representatives from appropriate constituencies within the University community who will be impacted by the purchase. The Procurement Office, in cooperation with the requesting department, will be responsible for appointing the selection committee. Each committee member will be required to submit a signed Non-Disclosure form prior to receipt of vendor proposal responses.

13.5 The requesting department may require bid bonds for more significant programs and services to ensure that only serious vendors submit proposals. If required, the amount and the requirement should be documented in the RFP. Additionally, state statutes require performance bonds for certain types of contracts. If a performance bond is required, said requirement must be communicated in the RFP. The Procurement Office is responsible for ensuring performance bonds are utilized as required when necessary.

13.6 The RFP will be posted by the Procurement Office for a minimum of 14 calendar days and inquiries and responses submitted by potential proposer should be directed to the Procurement Office.

13.7 The Procurement Office will forward bid tabulations and responses to the selection committee for review and recommendation. The committee will evaluate each response based upon the established criteria, document their results, and return the information to the Procurement Office. The Procurement Office will tally all responses and notify the selection committee and proposer(s) of the final results. All negotiations with the top proposer(s) will be coordinated by the Procurement Office. A contract will be awarded to the successful proposer. Contract reviews and approvals are subject to the University contract approval procedures.

13.8 If the committee determines that none of the responses are acceptable, all proposer(s) will be notified of this decision and the requesting department will consider whether to revise and/or reissue the RFP.

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**Related Statutes, Policies, Regulations and Rules**

- *System Regulation 25.07.03 Acquisition of Goods and/or Services*
- *TX Government Code Chapter 2254, Subchapter A*
- *TX Gov’t Code Chapter 2254, Subchapter B*
- *State Purchasing – Historically Underutilized Business (HUB) Program*
- *Texas Government Code Title 10, Subtitle D, Chapter 2161*
- *Texas Education Code Sec. 51.9335*
Forms

Forms are available on the Internet in the Business Affairs Forms Library.

Contact Office

Office of Procurement, Contracts & Reconciliations 936-261-1902