



STANDARD ADMINISTRATIVE PROCEDURE

25.07.03.M2.01 Purchasing Procedures

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Standard Administrative Procedure Statement

This procedure provides structure and form to the procurement process for Texas A&M University and complies with Texas Education Code 51.9335 and System Regulation 25.07.03, *Acquisition of Goods and/or Services*.

Reason for SAP

Texas Education Code 51.9335 provides a general description of the requirements for the acquisition of goods and services by institutions of higher education. This procedure provides guidelines to minimize risks associated with the procurement of goods and services and allows the University to carry out its fiduciary responsibilities.

Official Procedure/ Responsibilities/Processes

1. GENERAL

- 1.1 Regardless of funding source, all purchases using funds paid through University accounts must comply with these procedures. All purchase documents must be retained in accordance with the University's records retention schedule.

Classification of Purchases Authorities

There are two types of purchasing authorities:

- (1) Purchases processed directly through and by Procurement Services; and

- (2) Purchases delegated to University departments with a stated dollar amount not to exceed \$10,000, unless specifically exempted (ref. Section 5.6).

Purchases requiring a written contract, other than the University standard purchase order, must be in compliance with the provisions of System Policy 25.07, *Contract Administration*, and System Regulation 25.07.01, *Contract Administration Procedures and Delegation*.

1.2 Purchases Over \$10,000

Unless specifically exempted (ref. Section 5.6), procurement methods for purchases over \$10,000 may include: competitive bidding; competitive sealed proposals; group purchasing; or alternate methods relevant to specific application of goods or services purchased.

- 1.3 All purchases shall be based on a “best value” and shall consider: purchase price; reputation of the vendor and of 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 relationship with the University; impact on the ability of the University to comply with laws and rules relating to Historically Underutilized Business (HUB) vendors and to the procurement of goods and services from persons with disabilities; total long-term cost 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/sole source purchase requisitions, those that are specific to one brand and/or are only available from a single source, must be properly justified in writing and approved by Procurement Services prior to award. The Proprietary/Sole Source Justification form can be found at: <https://purchasing.tamu.edu/forms/>.

All proprietary/sole source purchase requisitions shall be reviewed for appropriate justification by the assigned buyer and forwarded to the Assistant Director. A tiered review is performed based on the dollar value of the requisition. The review structure is as follows:

- \$10,000 - \$300,000 will be reviewed by the Assistant Director;
- >\$300,000 - \$499,999, or as delegated, will be reviewed by the Director;
- >\$499,999 will be reviewed by Chief Financial Officer, or designee.

At any point in the proprietary purchase review process, the reviewer may forward the request to the next level supervisor for their review and approval, regardless of the dollar value.

2. PURCHASE OF GOODS OR COMMODITIES

2.1 Purchases of \$10,000 or Less

Departments are encouraged to obtain multiple bids whenever possible. Procurement Services has delegated authority to departments to make purchases of goods and commodities without competitive bid for \$10,000 or less (including all applicable charges, i.e. freight, postage, insurance).

- 2.1.1 All employees making purchases under delegated purchasing authority shall adhere to the System Policy 07.01, *Ethics*.
- 2.1.2 Purchases of \$10,000 or less should be documented in AggieBuy, FAMIS or as provided in the University Guidelines for Payment card purchases.
- 2.1.3 Purchases may not be separated in order to remain within the delegated dollar limit.
- 2.1.4 In the event a purchase, or a series of cumulative purchases, is made in excess of delegated authority, the department shall submit a confirming requisition. In addition, a letter from the department head describing the non-compliant purchase and the specific actions to be implemented to avoid a recurrence shall be addressed to the Director of Procurement Services. The employee responsible for the non-compliant purchase shall be required to complete purchasing training approved by Procurement Services. Additional disciplinary action may be taken in accordance with [University SAP 32.02.02.M0.02, Discipline and Dismissal Procedures for Nonfaculty Employees](#).

The Director has the authority to approve non-compliant payments to vendors that do not exceed \$300,000. Approval of non-compliant payment requests greater than \$300,000 shall be at the discretion of the Assistant Vice President or designee.

- 2.1.5 Departments shall provide equal opportunity and access to all vendors for the purchase of goods and services, and shall actively involve certified Historically Underutilized Business (HUB) vendors in the procurement process. Procurement Services will assist in identifying HUBs for such purchases. Information about HUBs and links to the Texas HUB Program may be found at <http://purchasing.tamu.edu/>.
- 2.1.6 Departments shall purchase goods and services, whenever possible, from persons with disabilities through WorkQuest, formerly TIBH Industries. Information regarding the Texas WorksWonders Program, including WorkQuest contracts, may be viewed at: <https://workquestx.com/>.
- 2.1.7 The State of Texas has awarded contracts that are available for use by all state agencies and institutions of higher education. Information, regarding

what types of goods or services are available on state contracts, may be found at: <http://www.txsmartbuy.com/>. Departments are encouraged to review and utilize the state contracts, however, regardless of dollar amount, purchases through Texas SmartBuy must be processed by Procurement Services.

2.1.8 Procurement Services administers many University and system-wide contracts. These contracts may be found by accessing the AggieBuy e-procurement portal. For information concerning the availability of these contracts and others available to the University, contact your buyer at: <https://purchasing.tamu.edu/purchasing/>.

2.2 Unless specifically exempted (ref. Section 5.6), all purchases in excess of the authorized departmental purchase limit, currently set at \$10,000, shall be submitted as a requisition to Procurement Services. Upon receipt of the purchase requisition, the Procurement Services will determine the appropriate method of procurement and process accordingly.

3. PURCHASE OF SERVICES

3.1 Purchase 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 Government Code; (2) service of a state agency employee; or (3) service of a public utility.

3.2 If a service will be required and rendered throughout the fiscal year with an estimated cumulative value exceeding \$10,000, a requisition must be submitted to Procurement Services ([University SAP 25.07.01.M1.01, *President's Delegation of Authority*](#)).

3.2.1 Requisitions must be submitted and the award issued prior to the start of service.

3.2.2 If the service can only be supplied by a single provider, the requisition must indicate that the desired purchase is a proprietary purchase and the department subject matter expert, usually the end user, must complete the Proprietary/Sole Source Justification form found at: <https://purchasing.tamu.edu/forms/>.

4. EMERGENCY PURCHASES

4.1 An emergency purchase is defined as a purchase 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 Procurement Services immediately. If the emergency happens after normal business hours, the department shall notify Procurement Services on the next business workday.

- 4.1.1 A written emergency justification is required. The Emergency Justification form can be found at: <https://purchasing.tamu.edu/forms/>.
- 4.1.2 Three informal bids must be obtained except when securing bids would significantly impede the process of completing the purchase.

5. PURCHASE OF SPECIFIC GOODS OR SERVICES

5.1 Computer Software

Departments are authorized to purchase software costing \$10,000 or less when no contract is required, such as off-the-shelf and shrink-wrapped software. Software costing in excess of \$10,000 must be routed to Procurement Services. Software costing in excess of \$100,000 must be capitalized and inventoried. All software requiring the execution of a license or support agreement must be submitted to Procurement Services prior to any commitment for the purchase of the software.

5.2 Electronic and Information Resources, including Computer Software

Texas law requires that Electronic and Information Resources (EIR) used, developed, procured, or distributed by Texas agencies and institutions of higher education are accessible to people with disabilities. For products and services that meet the definition, EIR accessibility documentation must be submitted by vendors for each offering, or family of similar offerings.

5.2.1 For commercial off-the-shelf (COTS) software and online services, EIR Accessibility is determined by vendor evaluations of each offering or family of similar offerings against a set of accessibility standards as defined in Texas Administrative Code 1 TAC 206 and 1 TAC 213 Electronic and Information Resources Accessibility. Vendors should document the results of these evaluations by completing a Voluntary Product Accessibility Template (VPAT). Completed VPATs, or links to them, must be provided and approved prior to award.

5.2.2 For Texas A&M solicitations related to development services for software, websites, web applications, etc., VPAT documentation is not applicable; however, in accordance with 1 TAC 213, vendors will be asked to provide credible evidence of their capability or ability to produce accessible EIR products and services. Such evidence may include, but is not limited to, internal accessibility policy documents, contractual warranties for accessibility, accessibility testing documents, and examples of prior work results.

For further information, contact <https://itaccessibility.tamu.edu/>.

5.3 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 with a cumulative value in excess of \$10,000 must be processed through Procurement Services prior to the date of required use. For rentals with an estimated cumulative value less than \$10,000, the department may purchase the services using their delegated authority. All purchases requiring a signed rental agreement must be routed through Procurement Services prior to execution.

5.4 Use of Private Consultant

With the exception of fund raising consulting services (ref. Sec. 5.3.1) all other consulting shall be processed as any other service as defined in Section 3 above. Consulting services in excess of delegated authority shall be requisitioned through Procurement Services.

5.4.1 All fund raising consulting services require additional routing prior to submission of a requisition to Procurement Services. In support of the existing affiliation agreement with the Foundation, departments that anticipate the need of fund raising consulting services shall obtain written approval through the Foundation. When a department anticipates the required fund raising consulting services will cumulatively exceed \$10,000, the department shall attach the Foundation's approval to the requisition for the services.

5.5 Lease of Space

All requests for lease of space must be submitted to Procurement Services for processing. Procurement Services will coordinate with System Real Estate Office (SREO) for final review and approval. A fully executed lease agreement is required prior to the issuance of a purchase order. Further information can be found at: <https://www.tamus.edu/legal/real-estate/>.

5.6 Lease Purchase or Installment Payment Purchase

All requests for lease purchase agreements or installment payment purchases must be submitted to Procurement Services for processing.

5.7 Exempt Purchases

Regardless of cost, the following goods and services are exempt from competitive bidding requirements and may be purchased by departments. If the order is in excess of \$10,000, it is recommended that departments contact Procurement Services prior to purchase to ensure compliance. All purchases must follow 25.07.01.M1, *Contract Administration* and/or 25.07.01.M1.01, *President's Delegation of Authority for Contract Administration*:

- 5.7.1 Classified Advertising: expenses such as newspaper, magazine, radio, television, billboards, classifieds, yellow page ads, and all other printed advertisements (does not include fees paid to public relations or advertising firms for their services in developing or executing coordinated campaigns or programs).
- 5.7.2 Conference Expenses: expenses related to onsite services provided and invoiced by the conference hotel and/or other conference facility, such as audio/visual/network, lodging and food/beverage services.

This exemption does not include offsite hotel rooms not due to overbooking, outside catering, goods purchased for attendees, transportation services not provided by conference hotel and/or other conference facility, or printing services, such as programs and signage.

Exception: Whereas, the Texas A&M Hotel and Conference Center (HCC) is for the overall support, maintenance and benefit of the System and the University, departments may use the HCC as an educational facility for professional and academic conferences, lectures, symposia and other events without regard to competitive bidding requirements.

- 5.7.3 Moving Expenses: Employee, institutional funds only
- 5.7.4 Lecturers/Guest Speakers/Entertainers: fees for speakers, lecturers or entertainers hired on a one-time basis, and does not include fees for speakers/lecturers on a continuous basis with an estimated cumulative value that exceeds \$10,000 (ref. University Rule 25.07.99.M2: President's Delegation of Authority for Contract Administration).
- 5.7.5 Student Travel: expenses related to student travel with the exception of air and bus charter
- 5.7.6 Library materials: specific for Texas A&M University Libraries
- 5.7.7 Legislative information services: bill analysis services
- 5.7.8 Membership fees and dues
- 5.7.9 Direct Publications: Newspaper, magazine and software subscriptions available only from the publisher
- 5.7.10 Freight
- 5.7.11 Goods and services provided by other State of Texas agencies, TAMUS components or by other local governments. Inter-agency and Inter-local

agreements must be reviewed by the Department of Contract Administration.

5.7.12 Registration fees and associated books and materials

5.7.13 Rental of exhibit space (booths for display purposes)

5.7.14 Goods and services provided by the Texas Department of Criminal Justice

5.7.15 Goods and services provided by WorkQuest, formerly the Texas Industries for the Blind and Handicapped (TIBH)

5.7.16 Internal repairs

5.7.17 Purchases from federal agencies

5.7.18 Purchases from Institutions of Higher Education

5.7.19 Utilities

5.7.20 Purchases made directly through the AggieBuy MarketPlace

5.7.21 Payments to Accrediting Organizations

5.8 Export Controlled Items

Texas A&M University complies with United States export control laws and regulations including, without limitation, those implemented by the Department of Commerce through its Export Administration Regulations (EAR) and the Department of State through its International Traffic in Arms Regulations (ITAR), as well as those imposed by the Treasury Department through its Office of Foreign Assets Control (OFAC).

Departments are responsible for export control compliance for purchases within their delegation.

For purchases in excess of \$10,000, departments shall provide a reasonable effort to identify possible export controlled items prior to submitting a purchase requisition. Procurement Services will work with the Export Control Office to facilitate purchasing compliance.

For further information, contact:

<https://vpr.tamu.edu/initiate-research/export-controls>.

5.9 Acquisition of motorized waterborne vessels – TAMU at Galveston only

This procedure is applicable to the acquisition of motorized waterborne vessels for TAMU at Galveston (TAMUG), including non-TAMUG entities operating under the aegis of TAMUG. Acquisition is defined as being acquired for material use through construction, purchase, gift-in-kind, property transfer, or other means. In order to ensure compliance with applicable safety procedures, vessel use standards, maintenance standards, and other University procedures as published, all motorized waterborne vessels under consideration for acquisition must be reviewed by the Executive Director of Marine Education Support & Safety Operations or designee and the Vessel Operations Advisory Committee, and approved by the COO of the Galveston Campus.

Non-motorized vessels such as canoes, kayaks, dinghies, and paddleboards used for recreation must be reviewed by the TAMU-Galveston Recreational Sports Department and approved by the Assistant Vice President for Student Affairs. All vessels and their operators must abide by the Vessel Operations Safety Management Procedures as published. This SAP excludes the federal training ship and its ancillary vessels.

6. PURCHASES WITH FEDERAL FUNDS

- 6.1 For federal grant-funded purchases made prior to September 1, 2018, Texas A&M University complies with OMB Circular A-110 Procurement Standards as defined in Subpart C, Post-Award Requirements, Sections .40 - .48. Effective September 1, 2018, federal grant-funded purchases must comply with Procurement Standards as defined in 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart D, Sections 200.318 -200.326 known as Uniform Guidance.
- 6.2 Where appropriate, an analysis of lease and purchase alternatives shall be made to determine the most economical and practical procurement method utilizing federal funds in excess of \$10,000.
- 6.3 The University shall, adhere to all federal requirements as stipulated in a grant or award and shall follow the federal procurement rules and guidance as appropriate.

Related Statutes, Policies, or Requirements

Supplements [System Policy 23.02](#), [25.06](#), and [25.07](#) and System Regulations [25.07.03](#) and [41.01.01](#)

[University Rule 25.07.01.M1, Contract Administration](#)

[University SAP 25.07.01.M1.01, President's Delegation of Authority for Contract Administration](#)

Also supplements:

- Subchapter A, Chapter 2254, Texas Government Code
- Subchapter B, Chapter 2254, Texas Government Code
- 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart D, Sections 200.318 -200.326

Contact Office

Procurement Services

<http://purchasing.tamu.edu>

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