
IX. PROCUREMENT

POLICY STATEMENTS

- 0.01 The purpose of this policy is to identify policies and procedures to use when purchasing goods and services for Lamar University with university funds.
- 0.02 In accordance with The Texas State University System (TSUS) "Rules and Regulations," Chapter III, Section 10 "Contracts, Purchases, and Agreements," Subsection 10.2 "Authority," Paragraph 10.23, the President has delegated authority to the Director of Purchasing to obligate university funds for the purchase of goods or services through the approval and issuance of purchase orders.
- 0.03 The Director has the authority, and is responsible, for promulgating and communicating Texas State purchasing policies and procedures. Generally, this information is made available to the University community on the Purchasing Office's website and via direct correspondence to departments, as needed.
- a. The Director of Purchasing may, at his or her discretion and with the concurrence of the Vice President for Finance, delegate purchasing, processing, or approval authority to another university employee or state agency.
 - b. This delegation may include soliciting for bids, proposals, offers, quotes, or other expressions of interest; evaluating responses received; negotiating terms and conditions; or obligating University funds for the purchase of goods or services.
 - c. Employees with delegated purchasing authority have reporting responsibility to the Director of Purchasing. The Director will determine the level of delegated authority and the training required and will be responsible for evaluating the employee performance.
 - d. This delegation may be emergency, general, specific, or limited.
 - e. Delegation should be confirmed with a Memorandum of Understanding (MOU).
- 0.04 State and federal laws, The Texas State University System "Rules and Regulations," and university policies and procedures strictly prohibit the splitting of orders solely to circumvent the competitive solicitation requirements and processes, or other applicable purchasing requirements.
- 0.05 Lamar University shall assume no liability for payment of obligations incurred by unauthorized persons.
- a. Persons making unauthorized purchases may be held personally liable for any damages resulting from the repudiation of the contract or purchase order. This
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personal liability includes paying for the unauthorized purchase with personal funds, or personally reimbursing the University for any expenses incurred.

b. The employee may also be subject to further disciplinary actions consistent with university policies.

0.06 This policy will apply when using all sources of funds, with the exception of foundation funds, for the procurement of goods and services.

9.1 PURCHASING AUTHORITY

The responsibility and authority to purchase materials, supplies, goods, equipment and services are granted by State law, the Texas Procurement and Support Services Commission (TPASS), and the Board of Regents of the Texas State University System (TSUS) to the President of Lamar University. TSUS Board rule delegates to the President of Lamar University the responsibility and the authority to enter into contracts, purchases and agreements for sums less than \$500,000 whether sacJ-12.9162S.02 16il1TN3L of

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- (8) Diesel fuel purchased for the operation of a co-generation plant.
 - (9) Purchased utilities, including electric, gas, water and waste hauling.
 - (10) Contracts involving planning, design, renovation, or construction of buildings and other physical facilities.
 - (11) Indefinite quantity services contracts as described in Subsection 1.19 of TSUS rule Chapter III
 - (12) "Special Employment Contracts" as described in Subsection 1.13 of TSUS rule Chapter V.

(Exceptions from TSUS Board rule Chapter III, 1.11)

The Planning and Construction area limits of authority granted by TSUS rule Chapter III, 1.19 to the President of Lamar University are as follows:

1.19 Indefinite quantity services contracts—including but not limited to job order construction contracts, contracts for architectural and/or engineering services, and consulting contracts—with the exception of contracts which expressly provide for a maximum total compensation not exceeding \$1 million, including any renewals. The Chancellor is delegated authority to approve indefinite quantity services contracts that exceed \$1 million but are not greater than \$2 million, including any renewals. For job order construction contracts, the limits of authority delegated in this sub-paragraph shall be \$2 million to the presidents and \$4 million to the Chancellor, including any renewals. Notwithstanding these limits, no individual project with a total project cost in excess of \$1 million may be executed under presidential authority. The Chancellor may further delegate his authority to appropriate System office staff and/or to a Component president.

In accordance with Board rule 10.23 the President of Lamar University may delegate power to contract, purchase or enter into agreements of less than \$500,000 to other employees of Lamar University. Such delegation must be specific and in writing to be effective. The President has delegated approval authority to the Vice President for Finance and Operations for less than \$500,000, to the Director of Purchasing up to \$100,000, the Associate Vice President of Facilities Management up to \$1,000,000 (for Facilities Management items only), and the Dean of the Library for up to \$100,000 (for Library items only) for competitive bid procurement of goods and services and for issuance of purchase orders.

The Library is exempt from TPASS requirements for the purchase of:

- Serial and journal subscriptions
- Library materials, including books not available under a statewide contract and papers
- Library services, including binding services not available under a statewide binding contract
- Library equipment and supplies

In addition, industrial and federal grants in support of research and grant-in aid payments are exempt from TPASS requirements.

9.2 PROCEDURES FOR THE ACQUISITION OF GOODS AND SERVICES

Pursuant to Education Code Sections 51.9335 (a)-(e) and The Texas State University System "Rules and Regulations," Chapter III, Section 17 "Best Value Procurement," Texas State may acquire goods or services by the method that provides the "best value" to the institution, including the following:

- a. Competitive bidding;
- b. Competitive sealed proposals;
- c. Group purchasing programs;
- d. Open market contracts; or,
- e. Catalogue purchase.

In determining best value to an institution of higher education, Lamar University shall consider the following criteria:

- a. Purchase price;
 - b. Reputation of the vendor and of the vendor's goods or services;
 - c. Quality of the vendor's goods or services;
 - d. Extent to which the goods or services meet the institution's needs;
 - e. Vendor's past relationship with the institution;
 - f. Impact on the ability of the institution to comply with laws and rules relating to
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historically underutilized businesses (HUBs) and to the procurement of goods and services from persons with disabilities;

- g. Total long-term cost to the institution of acquiring the vendor's goods or services;
- h. Use of material in construction or repair to real property that is not proprietary to a single vendor, unless Lamar Univ

Account Name:

Insert the name of the account as it appears in Banner.

Account Number:

Insert the Banner account number to be used for the purchase.

Department Contact And Extension:

Give the name and telephone number of the person most knowledgeable about this request.

Post Office Box:

Insert LU box number.

Vendor Information:

For items less than \$5,000, insert the name, contact, and address for the selected vendor. For items exceeding this amount, the Purchasing office will do the bid work. Departments should suggest at least one vendor for these purchases.

Item, Description, Quantity, Unit of Measure

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The President has delegated approval authority to the Director of Purchasing, the Director of Facilities Management (for Facilities Management items only), and the Director of the Library (for Library items only) for competitive bid procurement of goods and services and for issuance of purchase orders for items of less than \$5,000.

As a state agency, the University is required to follow the purchasing procedures prescribed by the Legislature and the Texas Building and Procurement Commission (TBPC). The Library is exempt from TBPC requirements for the purchase of:

- Serial and journal subscriptions
- Library materials, including books not available under a statewide contract and papers
- Library services, including binding services not available under a statewide binding contract
- Library equipment and supplies

In addition, industrial and federal grants in support of research and grant-in aid payments are exempt from TBPC requirements.

The Texas Constitution requires all printing to be competitively bid, irrespective of the dollar amount. Lamar University requires that all printing be done at the University Print Shop, unless the Print Shop cannot meet the printing requirements. All printing requisitions must be approved by the Director of Internal Services before being sent to Purchasing.

9.4.001 Routine Purchases

Departments must complete requisitions for all goods and services. The following guidelines will be used for determining the extent of the bid work which needs to be done for purchasing goods and services:

Item Amounts:

Up to \$5,000	The Purchasing Department is not required to bid items under \$5,000. Departments are responsible for evaluating and negotiating for these items to insure the University obtains the best value possible for these items. Departments are also responsible for using HUB vendors to the maximum extent possible for these purchases.
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\$5,001.01 - 25,000	Informal Bids - The Purchasing Department will attempt to obtain three (3) bids for items in this category, two (2) of which will be HUBs (one from a minority owned business and one from a
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woman-owned business). Departments should suggest at least one vendor to be contracted for bids.

\$25,001.01 - Greater

Formal Bids - The Purchasing Department will solicit from at least three (3) vendors, two of which will be HUBs (one from a minority owned business and one from a woman-owned business).

9.4.002 Emergency Purchases

An emergency purchase is defined by the TBPC purchasing rules as "a purchase of goods or services so badly needed that an agency will suffer financial or operational damage unless they are secured immediately." Emergency situations which occur during business hours should be coordinated with the Director of Purchasing. Emergencies occurring during non-business hours will require substantiation by the divisional Vice President as follows:

An emergency purchase requires a letter of justification which will become part of the file. The letter should be signed by the divisional Vice President and must state:



3. Prepare, publicize, and distribute information on procurement procedures in a manner designed to encourage minority and women-owned businesses to participate in its acquisition of goods and services.

a. Special attention will be given to ensure that purchase orders and/or contract specifications are written to encourage HUB participation.

9.5.001 Historically Under-Utilized Business Subcontracting (HUB-SUB) Program

1. Contract documents above \$100,000 will contain a provision detailing objectives of the HUB participation program and shall incorporate subcontracting "*Good Faith Effort*" criteria.

2. The State of Texas strongly encourages prime contractors to put forth a "*Good Faith Effort*" in establishing contracts with HUBs as subcontractors, suppliers, or material providers. "*HUB sub-contracting performance*" will be a criteria incorporated in the TBPC Vendor Performance rating system. Some examples of *Good Faith Effort* criteria include but are not limited to the following:

9.5.003 Data Collection and Reporting

The Purchasing Agent will act as liaison between the agency and TBPC. The liaison will contact TBPC Small Business Programs for assistance when purchasing difficulties occur under this policy.

9.6 TEXAS BUILDING AND PROCUREMENT COMMISSION ETHICS

Per Commission Rule ITAC 111.4, agencies involved in purchasing under the TBPC delegated authority shall adhere to the following ethical standards:

An employee may not:

Participate in work on a contract knowing that the employee, or a member of their immediate family, has an actual or potential financial interest in the contract, including prospective employment;

Solicit or accept anything of value from an actual or potential vendor;

Be employed by, or agree to work for, a vendor or potential vendor;

Knowingly disclose confidential information for personal gain; or

Be employed at a pay classification of Group 17, Step one or higher if the spouse of an officer, manager, or paid consultant of a Texas trade association of businesses which contracts with the State.

A former employee who had a pay classification of Group 17, Step one or higher may not represent or receive compensation concerning any matter in which the former employee participated during his or her employment with the State:

Offer, give, or agree to give an employee anything of value; or

Retain another to secure a contract for a contingent fee except for bona fide employees or sales representatives

When an actual or potential violation of any of the above is discovered

Procedure

In the context of the above, the appropriate supervisor to receive the report of actual or potential violations will be the divisional Vice President. The Vice President shall investigate the matter, and shall file a report indicating the disposition of the matter with the President within ten (10) working days of the original receipt of the report.

In order to ensure compliance with state policies and laws and to protect employees, each

system, and that inventory records be maintained on each individual asset. All capitalized assets shall be purchased using object codes in the 5400 pool. All other purchases of capital assets shall be made using object codes in the 3000 pool.

Certain assets must be inventoried regardless of dollar cost per State policy. The Purchasing Department has a list of such items (certain types of electronic equipment and firearms are examples), and will see that proper coding is done.

All capital assets are eligible for purchase with HEAF funds (Higher Education Assistance Funds) regardless of cost.

9.9 COMPUTER HARDWARE AND SOFTWARE PROCUREMENT

Computer hardware and software procurement represents a significant investment. This investment must be effectively planned, utilized, and managed. This acquisition procedure is a step toward proper management and control of this vital resource.

All University purchases of computer hardware and software must be reviewed with Microcomputer Support and Services (MSS) before a purchase commitment is made to ensure the items are compatible with University support and communication systems.

When a department is not familiar with computer equipment or is not aware of what is offered or how to configure what is needed, they must contact MSS for assistance. MSS will provide recommendations and advice, along with vendor comparisons, and will advise on network setup and installation. In order to avoid waste caused by duplication of facilities and effort, anyone considering computer related acquisitions should utilize this group for assistance in their planning and procurement.

Computer catalog purchases are not exempt from proper documentation of the decision making process. For example, HUB requirements still need to be documented.

9.10 TRANSACTIONS EXEMPT FROM PURCHASE ORDERS

With Banner, accounts can be encumbered immediately for most all types of transactions, including travel and utility charges. Generally, account managers will be required to requisition purchases through the purchasing department where the encumbrance will be recorded. However, certain types of transactions are not conducive to normal purchasing procedures.

The following are procedures for handling specific transactions for which purchase orders

9.10.005 Utilities

A monthly bill is sent to Accounts Payable by Facilities Management with a journal entry which records interdepartmental charges. Instructions for entering voucher on screen 104 will be attached.

9.10.006 Inter-Library Loan Charges - Entered by the Library using screen 104.

Use a Request to Pay Vendor or Payee form F4.7 (*see Exhibit E*), obtain all required signatures and submit all documentation to the Accounts Payable Department.

9.10.007 Repayments - Use ONLY when a vendor will not grant credit and a true emergency situation exists requiring an immediate check.

Use a Request to Pay Vendor or Payee form F4.7 (*see Exhibit E*) obtain all required signatures and submit all documentation to the Accounts Payable Department. The person picking up the check must return a receipt to Accounts Payable immediately after the goods/ services are received.

9.11 RECEIVING REPORTS

Each purchase order copy will be coded with instructions for handling receiving documentation when purchases are delivered. These instructions will contain one of the following:

- a. A receiving report will be required for pick-up items and should be forwarded to Facilities Management by the department (i.e., a DC type order)
 - b. Goods will be received by Facilities Management and receipted there (i.e., RO type orders).
 - c. No receiving report will be required beyo
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9.12 PROCUREMENT CARD PROGRAM

9.12.001 Introduction

Lamar University offers some departments a MasterCard Procurement card (ProCard) program for ordering supplies or business services. The program is a fast, flexible alternative for processing low dollar value purchases from vendors that accept the MasterCard credit card. The card is available for use with state and local accounts except those in the Restricted Funds.

The Procurement Card Program is authorized by the State of Texas Procurement and Support Service (TPASS) contract with Citi Bank. With the ProCard you, the end user, will be able to purchase non-restricted commodities of less than \$250 for E&G (State) or less than \$500 for local funds, directly from vendors without issuing a purchase order or entering an accounting transaction. It will also significantly reduce the time and effort required to make payments for your purchases.

9.12.002 How the ProCard Works

- 1) You make a purchase by charging it on the ProCard
- 2) Citi Bank, the ProCard supplier, pays the vendor the next day
- 3) Citi Bank bills the University monthly
- 4) The University makes payments to Citi Bank electronically.
- 5) A journal voucher entry charges your index monthly.

9.12.003 What Can Be Purchased With the ProCard

The card may be used for the purchase of goods and services under \$250 for E&G (State) accounts or under \$500 for local funds accounts. Purchases which exceed these limits (including freight) must be made using the normal purchasing procedures. The ProCard is to be used for the purchase of operating supplies and services. The ProCard is not to be used for travel, capital items, and services provided by individuals who would receive a W-2 or 1099 from the University. Food or restaurant expenditures are specifically disallowed. Any questions about the appropriateness of an item should be directed to the Purchasing Department. As explained later in this procedure guide, cardholders are strictly prohibited from using the card to purchase items for personal consumption.

Examples of appropriate (e)5 TD .0002 Tc, Tf 1.5509 04.a.mproprt 04.Office Supplies

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1. The ProCard is to be used for University purchases only. Because the obligations incurred through use of the card are liabilities of the State of Texas, use of the card for purchase of personal items will be
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the loss or theft. Therefore, lost or stolen cards must be reported immediately to the Purchasing Department and to Citi Bank so that proper notification can be made. Names and telephone numbers are listed in B below.

8. Because funds in a fiscal year may not be used to pay obligations from a prior year, a calculation of Pro Card obligations at the end of the fiscal year will be made and the amount accrued as a liability in the accounts of cardholders.
9. The ProCard is a very useful tool for the responsible account manager. However, it is also a tool which may be easily abused. To insure that the availability of the card to the University is not

While these are the consequences of Lamar University non-compliant ProCard transactions, we will continue to collaborate with department Account Managers to determine appropriate consequences, and within reason will flex with campus department needs. LU must maintain compliance with all applicable policies and procedures.

Types of non-compliant transactions include but are not limited to:

- x Payment of sales tax if credit is not received.
- x Purchase from disallowed vendor
- x Transaction over \$1,000 without pre-approved waiver
- x Use of a ProCard by person other than cardholder without a Delegation Authorization form.
- x Personal Charge
- x Purchase of restricted items without pre-approved waiver from Office of Procurement and Strategic Sourcing
- x Gratuity greater than 20%
- x Lost receipt
- x Purchase of office supplies without pre-approval from the Office of Procurement and Strategic Sourcing, emergency justification or while in travel status
- x Splitting a single transaction to avoid ProCard limit or bidding requirements
- x No Transaction Log
- x Transaction Log missing Account Manager review and signature.
- x Non-attendance of mandatory ProCard training
- x Allowing a student to use the ProCard without an approved waiver
- x Purchase of a controlled property
- x Fraud (no renewal available and/or possible termination)

The Lamar University ProCard is a privilege to expedite small dollar purchases and is not an employee entitlement. Lamar University reserves the right to withhold issuance, as well as suspension or cancellation, of

9.12.006 Phone Numbers and Contacts

1. Lamar University Pro Card administrators:

Diane Thibodeaux
Primary Administrator
(409) 880-8474
Program Administrator

2. Citi Bank Customer Support :
Phone #s: 1-800-248-4553

3. For Lost or Stolen Cards:
Citi Bank: 1-800-248-4553
Lamar University: (409)880-8474

4. Card Activation:
Citi Bank 1-877-905-1861

5. For Disputed Charges:
Citi Bank 1-847-248-4553

6. To report fraudulent use or misapplication of the card, notify a
program administrator and the Internal Audit department.

Diane Thibodeaux
(409) 880-8474
Primary Administrator

Ramona Stricklan
(409) 880-1766
Director of Internal Audit

9.12.007 Policies, Procedures, and Rules

The purpose of the program is to provide state agencies a more efficient method of making small dollar purchases. The ProCard system should result in an increase in savings and provide other cost reductions to this agency by eliminating many of the necessary steps and paperwork now required to make

determine how you will fit into the hierarchy/organizational structure of the credit card program.

Department Head: Request in writing to the Purchasing Agent - employee name, employee ID number, and budget index number.

All Cardholders: Register for and attend training class on Pro Card use which will be taught by the program administrators. A card will not be

misapplication of the card.

- C. Credit Card Dispute Resolution - Cardholders are responsible for immediately investigating any disputed charges. Contact the Primary Administrator for specific instructions.
- D. Lost or Stolen Credit Cards - Cardholders are responsible for

charged, it is your responsibility to get it credited.

- L. Transaction Log - Transaction logs are to be maintained by each cardholder. A standard form for the log is available from the Program Administrator. Cardholders will submit the transaction log to the Program Administrator each month along with all original receipts that support the items on the log. The receipts will be reviewed and exceptions will be examined and appropriate administrative action will be taken. The monthly transaction log will be reviewed by the Program Administrator for compliance with policy and to reconcile the log with the monthly billing statement.

The log should match the statement exactly, charge by charge,
