



Purchasing Services is no longer the traditional purchasing office. As such, we have incorporated a name that better describes what we do.



Within Strategic Sourcing and Logistics, we manage the following functions:

Holding Area represents the procurement function supporting Facilities Mgmt.

Mail Services has been a part of Strategic Sourcing for a little over a year now and will be re-locating to the Purchasing Building later this summer.



## Purchasing Services

- EDUCATION CODE §51.9335
- ACQUISITION OF GOODS AND SERVICES.
  - a) An institution...may acquire goods or services by the method that provides the best value to the institution, including:
    - (1) competitive bidding;
    - (2) competitive sealed proposals;
    - (3) a catalogue purchase;
    - (4) a group purchasing program; or
    - (5) an open market contract.

It is an easy trap to fall into the trap of expressing what you **can't do** when addressing procurement rules and regulations.

And while I may give you a few **don'ts**, I hope that I give you more **do's** relative to procurement practices.

Two years ago, our legislature made a significant change to public procurement for higher ed by outlining the rules in Ed. Code



# Purchasing Services

## 25.99.02 Component Purchasing Authority

### 1. GENERAL

The Texas A&M University System (System) was granted additional purchasing authority by the 77th Legislature. The System Procurement Code (Code) was developed to guide the purchasing activities of the System. The Code is hereby adopted and replaces the GSC Procurement Manual.

The Code is located at

<http://sago.tamu.edu/policy/Code.htm>

As a result, TAMUS Policy established the System Procurement Code which dictates how all System Members will procure goods and services



Government Code  
§2161.251  
(HUB Subcontracting Requirements)

- a) This subchapter applies to all contracts...with an expected value of \$100,000 or more, including:
- 1) contracts for... goods or services...
  - 2) contracts for...construction of...building.. This...applies without regard to the source of funds...

One state statute that was not impacted by the adoption of the Ed. Code for higher education was Govt. Code 2161 which addresses how the state will encourage doing business with **Historically Underutilized Businesses or HUBs** for short.

Any purchase with an anticipated \$ value in excess of \$100K, the state must require each bidder or proposer to submit a HUB Subcontracting Plan.

The plans are structured to encourage minority and women-owned businesses to participate in the procurement process.



## UNIVERSITY RULE

### 25.99.02.M1 Purchasing Procedures

1.1 All purchases must comply with University's Purchasing Procedures.... There are three types of purchasing authority:

- 1) purchases processed directly through and by the Department of Purchasing Services;
- 2) purchases delegated to specific departments, e.g.,... food and construction items; and
- 3) purchases limited by dollar amount delegated to all departments.

The last step in the rules process is the adoption of the component rules based on state statutes and System policies.

Three types of purchasing authority:

1. Purchasing Services
2. Specific delegation given for food and construction
3. Limited dollars given to all depts.



## DELEGATED PURCHASES

Purchases of goods and commodities without competitive bid for \$5,000 or less (including freight and/or postage).

1. All employees...shall adhere to the TAMUS Ethics Policy.
2. Purchases...require proper documentation on the Limited Purchases screens...or as provided...guidelines for procurement card purchases.
3. Purchases may not be split in order to remain within the allowable dollar limits.
4. Equal opportunity and access to all vendors. Encouraged to utilize HUB suppliers whenever possible.
5. Shall purchase goods...from persons with disabilities (TIBH)

TIBH contracts may be viewed at  
<http://www.purchaseplus.com/catindex.htm>

Delegated purchases, those that are \$5K or below, must adhere to the following:

1. Ethics Policy
2. Maintain proper documentation of purchases
3. May not split purchases in order to remain under the delegated limit
4. Must give equal opportunity and access to all vendors and encourage the use of HUB suppliers
5. Statutory requirement that states whenever possible, we must purchase goods from persons with disabilities.



## EXEMPT PURCHASES 25.99.02.M1

- Classified Advertising
- Conference Expense
- Hotels and Conference Rooms
- Moving Expenses
- Lecturers/Guest  
Speakers/Entertainers
- Student Travel

### Exempt Purchases

I had previously said that I was going to try to stay away from telling you what you can't do, so here is an abbreviated list of what you can do, regardless of the dollar value. The complete list of exempt purchases is located in this University Rule.

Classified ads

Conference expenses

Hotels and conference rooms (an exception is when your dept does this all)

Moving expenses (**Institutional Funds Only**)

Lecturers/Guest Speakers

Student Travel



## EXEMPT PURCHASES

(continued)

- Membership fees and dues
- Newspaper and magazine subscriptions
- Freight
- Services provided by other State of Texas agencies
- Registration fees
- Internal repairs

Memberships and Dues

Newspaper and magazine subscriptions

Freight

A service Provided by another State of Texas Agency

Registration Fees

Internal repairs (does not include maintenance agreements)



**Consulting:** The studying or advising an agency or institution that does not involve the traditional employee/employer relationship

Major: Any consulting contract in excess of \$25K. The CEO of the institution must conduct a find of fact and the solicitation of proposals must be published in the TX Register 30 days prior to contract execution.

Professional Services: Accountants, Attorneys

Lease of Space: Plan early!!



## Common Mistakes Made During Purchasing Process

- Forgetting to add freight to total of purchase and invoice now exceeds \$5K
- Buying an item utilizing an existing blanket agreement, but forgetting to submit a requisition first.



## Common Mistakes Made During Purchasing Process (continued)

- Making a legitimate limited purchase then realizing the firm also needs an executed agreement
- Misinterpreting the exempt rules
- Forgetting to renew a maintenance agreement before it expires



## Common Mistakes Made During Purchasing Process

(continued)

- Buying items under the delegated limits multiple times, several days, weeks or months in a row.
- Assuming a contract sent to Contract Administration can be paid without a requisition.
- Using the Purchasing Card for unauthorized purchases.



## Strategic Sourcing and Logistics

<http://purchasing.tamu.edu/>

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