

**ADMINISTRATIVE PROCEDURES**

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| **40.05 Purchasing Procedures** | **Revised: November 1, 2023** |

1. GOVERNING REGULATIONS

Texas A&M Forest Service purchasing procedures are governed by several policies and regulations:

1.1 System Policy [07.01](http://policies.tamus.edu/07-01.pdf) *Ethics*

1.2 System Policy [25.06](http://policies.tamus.edu/25-06.pdf) *Participation by Historically Underutilized Business (HUB)*

1.3 System Regulation [21.01.12](http://policies.tamus.edu/21-01-12.pdf) *Purchase of Food and Refreshments*

1.4 System Regulation [25.06.01](http://policies.tamus.edu/25-06-01.pdf) *Historically Underutilized Business Program*

1.5 System Regulation [25.07.01](http://policies.tamus.edu/25-07-01.pdf) *Contract Administration, Delegations and Reporting*

1.6 System Regulation [25.07.03](http://policies.tamus.edu/25-07-03.pdf) *Acquisition of Goods and/or Services*

1.7 Administrative Procedure [30.04](http://tfsfinance.tamu.edu/modules/finance/admin/admin_procedures/3004%20Procurement%20Cards.docx) *Procurement Cards*

1.8 Administrative Procedure [40.04](http://tfsfinance.tamu.edu/modules/finance/admin/admin_procedures/4004%20Purchasing%20Delegations.docx) *Purchasing Delegations and Responsibilities*

2. DEFINITIONS

2.1 “Delegated purchasing authority” refers to a department’s permission for and limitations on the purchase of goods or services. In addition to a limit on the dollar amount of purchase transactions, departments are prohibited from directly completing certain types of purchases, which must be processed through the Purchasing Department regardless of amount.

2.2 “Exempt purchase” is not subject to competitive bidding requirements regardless of amount.

2.3 “Non-delegated purchase” is outside the authorized departmental purchasing limits and must be submitted as a requisition to the Purchasing Department.

2.4 “Purchase document” refers to a requisition or purchase order whether prepared as a manual form or as an electronic document. The FAMIS purchasing module is used to produce four types of purchasing documents:

a. An “E-document” is an exempt purchase order issued by a department to a vendor for certain goods or services for which bidding is not required.

b. An “L-document” is a limited purchase order issued by a department to a vendor within the department’s delegated purchasing authority.

c. An “R-document” is a requisition submitted by a department to the Purchasing Department to obtain assistance with a purchase.

d. A “P-document” is a purchase order issued by the Purchasing Department to a vendor, often based on a requisition from a department.

2.5 “Non-Appropriated Funds” are accounts beginning with a 2 or 4.

3. GENERAL

3.1 Purchases must comply with System Regulations, the System Procurement Code, and agency purchasing procedures and guidelines. Each purchase must be fully documented. All documents must be retained in accordance with the System Records Retention Schedule.

3.2 Goods and services may be acquired by the method that provides the best value to the agency through:

1. competitive bidding.
2. competitive sealed proposals.
3. group purchasing.
4. alternate methods relevant to specific goods and services purchased.
5. spot purchases.

3.3 The agency may consider the following in determining the best value:

1. purchase price.
2. quality of the vendor’s goods or services.
3. extent to which the goods or services meet the agency’s needs.
4. reputation of the vendor and of the vendor’s goods or services.
5. vendor’s past relationship with the agency.
6. impact on the ability of the agency to comply with laws and rules relating to HUBs and to the procurement of goods and services from persons with disabilities.
7. total long-term cost to the agency of acquiring a vendor’s goods or services.
8. any other relevant factor that may be considered in selecting a vendor.

3.4 Texas A&M Forest Service is exempt from Texas state sales tax, so each department must ensure that it is not included (regardless of amount) in any quotes, bids, or any other prices obtained. Department personnel should furnish a completed [Texas Sales and Use Tax Exemption Certification](http://tfsfinance.tamu.edu/modules/finance/admin/procedures/Texas%20Sales%20and%20Use%20Tax%20Cert%20TFS.pdf) form to any vendor requesting certification of tax exemption.

4. GUIDELINES APPLICABLE TO ALL PURCHASES

4.1 Employees making purchases under delegated purchasing authority must adhere to the System Ethics Policy.

4.2 Each department must identify and utilize, whenever possible, HUBs for the purchase of goods and services. The HUB Coordinator and the Purchasing Department will assist in identifying HUBs for such purchases. Assistance may also be found at the on-line listing of [HUBs](https://mycpa.cpa.state.tx.us/tpasscmblsearch/index.jsp).

4.3 Preferences

a. Whenever possible, departments will purchase goods and services from persons with disabilities through WorkQuest if the products and services meet state specifications as to quantity, quality, price, delivery and life cycle cost, and cost no more than the fair market price of similar items. If a department purchases products or services that are available from WorkQuest from a non-WorkQuest source, a written justification must be provided documenting the reason WorkQuest products or services were not acceptable. Such reasons may be delivery time, price and failure of products or services to meet specifications, quality issues from previous purchases, or other factors that support best value. The Purchasing Department will assist departments in the use of [WorkQuest contracts](https://workquest.com/services-and-products/).

b. Recycled, Remanufactured, or Environmentally Sensitive Products – Departments should specify and purchase recycled, remanufactured or environmentally sensitive products whenever possible. A preference should be given to these type products if the products meet state specifications as to quantity, quality and defined best value factors. Examples of these type products include:

(1) re-refined oils and lubricants.

(2) recycled-content toilet paper, toilet seat covers, paper towels.

(3) recycled-content printing, computer and copier paper, and business envelopes.

(4) remanufactured toner cartridges.

4.4 Vendor Check

1. Vendor checks must be completed prior to making purchases. The state vendor hold check is required on all purchases except for credit card purchases of $500 or less. Additional barred vendor lists checks are required for purchases of goods and services from private vendors, excluding: (1) payments to governmental agencies (federal, state, local), (2) payments to employees, (3) grant payments, (4) encumbrance documents for credit card charges, and (5) contracts that don’t involve the purchase of goods or services.
2. The Purchasing Department will perform the vendor checks for all P-docs, office leases and other written purchase contracts prior to their execution. Departments are responsible for performing vendor checks for purchases made with L-docs and E-docs using the [Vendor Check](https://tfsfinance.tamu.edu/modules/finance/admin/procedures/Vendor%20Check.docx) form.

c. For vendors that clear the vendor checks, departments may proceed with the purchase and must maintain the completed Vendor Check form for inclusion with the payment voucher package.

5. DELEGATED PURCHASES

5.1 The Purchasing Department has delegated the authority to departments to purchase most goods and services for $10,000 or less (including freight, postage, installation, and all other applicable charges). Competitive bidding is not required for purchases of $10,000 or less. Exceptions to this delegation include:

a. purchases from State, TXMAS and DIR contracts, as well as some TAMU contracts.

b. auditing and legal services.

c. consultant and professional services.

d. purchase of computer hardware and software.

e. purchase of telecommunications equipment and services.

f. purchase that requires the signing of a written contract or agreement.

5.2 A requisition is not required for purchases within the delegated purchasing authority. Proper documentation of each purchase must be recorded on an L-document in the purchasing module of FAMIS, on a purchase voucher, or as provided in agency credit card procedures.

5.3 A department may not exceed its delegated purchasing authority. Purchases may not be broken into small purchases in order to stay within the delegated authority. Each department should carefully evaluate and plan its purchases of goods on a monthly basis and services on a yearly basis. Purchases of like commodities in excess of the delegated amount must be requisitioned to the Purchasing Department. Delegation of purchase authority may be withdrawn, in whole or in part, for violation or intentional misuse of authority.

5.4 Use of TFS Credit Card: Each delegated purchase paid for with an agency credit card must comply with all purchasing procedures. A credit card is a payment method only. Cardholders may not use a credit card to circumvent any purchasing regulations or procedures.

6. EXEMPT PURCHASES

6.1 Some goods and services are exempt from competitive bidding requirements.

6.2 FAMIS allows an exempt purchase order (E-document) to be created, regardless of the amount, if all object codes on the order appear on screen 306.

6.3 A department may use an E-document to process the following exempt purchases without contacting the Purchasing Department:

a. utilities.

b. telephone charges.

c. postal services.

d. System assessments and related services from TAMU Information Technology.

e. judgments and settlements for the Risk Pool program.

6.4 Grant awards, although not considered purchases, should be recorded in FAMIS with an E-document at the time of award, even though a payment might not be made for many months.

7. NON-DELEGATED PURCHASES

7.1 Non-delegated purchases are purchases in excess of the delegated purchasing limits and are performed by the Purchasing Department.

7.2 A department initiates a non-delegated purchase by completing a purchase requisition and submitting it to the Purchasing Department. The purchase requisition includes detailed specifications and conditions of purchase. Departments should utilize the FAMIS requisitioning process to prepare, electronically route for approval, and submit a requisition to the Purchasing Department. Requisitions should be submitted to the Purchasing Department far enough in advance to allow sufficient time for preparing bids, receiving and evaluating bid responses, awarding contracts, and permitting a normal delivery schedule.

7.3 Specifications and conditions of purchase submitted by a department should be complete and include sufficient detail to fully describe the product or service required, including quantity, unit of measure, ship to and invoice to addresses, and any special conditions and requirements. The Purchasing Department will review specifications and conditions of purchase and will not make significant changes without approval from the department. If the department’s specifications unreasonably limit competition or are proprietary to one vendor, additional written justification will be required.

7.4 The Purchasing Department will determine the appropriate method of procurement and process accordingly. Copies of the purchase order will be sent to the awarded vendor, the requesting department and the Budgets and Accounting Department.

8. PROCUREMENT CLASSIFICATIONS

8.1 Services

1. Purchase of services is defined as the furnishing of skilled or unskilled labor or professional work, but does not include:

(1) professional service subject to Subchapter A, Chapter 2254 of the Texas Government Code. (See section 8.6.)

* accounting
* architecture
* landscape architecture
* optometry
* medicine
* real estate appraising
* land surveying
* professional engineering
* professional nursing

(2) consulting service as defined by Subchapter B, Chapter 2254 of the Texas Government Code. (See section 8.6.)

(3) service of a state agency employee.

(4) service of a public utility.

b. Rental of machines and equipment, with or without an operator provided by the supplier, is considered a service.

c. Auditing and legal services require advanced approval from other state agencies regardless of cost. This is a non-delegated purchase. Contact the Purchasing Department if these services are needed.

d. Services costing in excess of $10,000 per fiscal year must be requisitioned to the Purchasing Department for competitive bidding and award. A requisition must be submitted and the purchase order issued **before** the service can begin. If the service can be performed by only a sole source provider, a completed [Proprietary Purchase Justification](http://tfsfinance.tamu.edu/modules/finance/admin/procedures/Proprietary%20Purchase%20Justification.docx) must be submitted with the requisition.

8.2 Private Consultant and Professional Services

a. Consulting services and professional services are governed by System Regulation 25.07.01 Contract Administration Procedures and Delegations.

b. This is a non-delegated purchase, regardless of cost, and must be requisitioned to the Purchasing Department for processing.

8.3 Printing Services

a. Printing is defined as “reproduction by impressing paper against an inked printed surface” (plate, blanket, type, etc.), as opposed to copying, which is reproduction of a printed page by photographic techniques.

b. Where available, State agency print shops can be utilized. If a State agency print shop is not used, then the standard processes for delegated and non-delegated purchases apply:

8.4 Computer Hardware and Software

1. To initiate the purchase of a computer or software, contact IR (by phone or e-mail) to communicate specific needs. After obtaining a price quotation from an appropriate vendor, IR will create a purchase document in FAMIS and route for approval. The order will be placed by either IR or the Purchasing Department.
2. Contact IR to purchase any of the following peripherals:

(1) monitor.

(2) LaserJet printer, multi-function printer, or any printer capable of direct connection to a network.

(3) flat-bed scanner.

(4) other computing equipment that can be connected to a network.

These are non-delegated purchase items regardless of cost. Depending on the circumstances, IR may approve (via email) for the department to purchase certain items on a procurement card.

1. A department may purchase any of the following peripherals under the delegated purchasing authority, if the total cost does not exceed $10,000. A department may contact IR for assistance with the procurement of these items as needed.

(1) power cord or power strip.

(2) cable.

(3) speakers.

(4) keyboard.

(5) mouse.

(6) external hard disk drive.

(7) inkjet printer.

(8) flash drive.

(9) global positioning system (GPS) equipment.

(10) digital camera.

(11) other electronic equipment that cannot be connected to a network.

d. Computer hardware, software or a peripheral with a cost of $10,000 or more is classified as capital property and must be inventoried.

8.5 Telecommunications Services and Equipment

1. Telecommunications services and equipment include land line telephone service, cellular service and equipment, Internet service, and other miscellaneous voice and data services.

b. This is a non-delegated purchase. Telecommunications services and equipment are procured by the Purchasing Department, regardless of the dollar amount. A department must submit a request for telecommunications services and equipment to the Purchasing Department for processing. The Purchasing Department will coordinate with the Information Resources Department and purchase these services and equipment through the TAMU Division of Information Technology or through DIR TEX-AN 2000 contracts.

8.6 Lease Purchase or Installment Payment Purchase

1. The agency generally does not make lease or installment purchases.
2. A request for lease-purchase or installment payment purchase will be submitted to the Purchasing Department, which will assist the department in developing lease-purchase specifications, in evaluating lease-purchase options available, and in obtaining the required approvals.
3. This type of purchase must be approved by the Associate Director for Finance and Administration. Upon receipt of the proper approvals, the Purchasing Department will bid and /or negotiate a contract.

8.7 Lease of Space

The agency makes it a priority to co-locate with other State or local government agencies when leasing office space. Departments with a need to lease space should submit a written request to the Purchasing Department Head. The Purchasing Department Head will ensure appropriate terms are negotiated and required approvals are obtained.

8.8 Food Purchases

1. Expenditures for food and/or refreshments from non-appropriated funds, unless otherwise restricted, are authorized to the extent such expenditures enable the agency to carry out an agency function, promote forestry in the State of Texas, or perform public service.

b. Expenditures for food and/or refreshments must fulfill one or more of the following purposes, which must be cited on the payment document:

1. The recognition or promotion of service to the agency or the State.

(2) The promotion of the communication of forestry issues/ideas among staff and/or representatives of the public.

(3) The support of events and activities that are sponsored by the agency.

(4) The recruitment of staff.

(5) The promotion of the exchange of ideas with community leaders regarding the role of the agency in the community.

(6) The assistance of the Regents, officials from other agencies and/or public officials in inspecting/reviewing agency facilities and programs.

(7) The support of a continuing education program sponsored by the agency.

(8) The recognition of employees (staff conferences, receptions or other events).

c. The purchase of food for employees while on fire suppression activities that do not involve an overnight stay is deemed to satisfy the above requirements (sections 8.12.a. and 8.12.b. (3)) and is permitted if the following conditions are met:

(1) The employees are deployed to a fire prior to the normal meal time, have no advance notice to allow them to bring a meal with them and remain on the line through the meal period.

(2) The meal must be delivered to the employees on the fire line because the remote location or the fire suppression operation requirements make it unfeasible to allow the employees to leave the fire line.

(3) The meal may include bottled water or supplement drink.

The decision to purchase meals for employees during the above conditions is made by the respective Regional Operations Chief.

1. The purchase of bottled water or supplement drinks for hydration purposes have additional requirements and are subject to the provisions of section 8.13 below.

e. Purchases of food costing in excess of $10,000 must be requisitioned to the Purchasing Department for processing.

8.9 Bottled Water, Supplement Drinks and Ice Purchases

* + - * 1. Bottled water, supplement drinks and ice are deemed to be food items, therefore subject to all limitations and conditions imposed on food purchases, including limitations on funding sources and the requirement of a use/justification statement. The agency allows the purchase of bottled water, supplement drinks and ice in the following circumstances.

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| **Circumstance** | **Bottled Water** | **Supplement Drink** | **Ice** |
| Hydration purposes in the performance of emergency response and forestry activities in the field. | Yes | Yes | Yes |
| Consumption by personnel and visitors in the Merkel and Palestine offices | Yes | No | No |
| Training classes, landowner meetings and conferences. | Yes | No | Yes |

1. For a declared emergency response incident, the payment document must identify the assigned incident number and be paid from a corresponding incident account.
2. For all other activity, the payment must be charged to a non-appropriated fund account.
3. Purchase of bottled water or supplement drink for any other purpose must have advanced written approval from the Director or the Associate Director for Finance and Administration. The payment document must cite this administrative procedure, and the expenditure must be paid from non-appropriated funds. A copy of the written approval must be included with the payment document.

While the agency has determined the above purchases to be allowable, each department head is responsible for determining the needs of their respective department and managing the amount of purchases. Departments are also responsible for conserving funds by purchasing bottled water or supplement drinks in bulk, when possible. To fulfill these responsibilities, department heads should provide appropriate instructions to their staff related to these purchases.

b. For leased offices or workstations where water is not available within the leased space, departments are authorized to purchase a water dispenser and bottled water service. These purchases must be paid with non-appropriated funds.

8.10 Flowers, Floral Arrangements and Plants

a. A state agency may not use appropriated funds to purchase flowers, floral arrangements, or decorative plants for a state officer or employee or for the friends or family of a state officer or employee. Generally, the agency limits purchases of flowers or decorative plants to special agency events. The purchase of flower arrangements for funerals of employees or former employees is generally limited to gift fund accounts. Requests for exceptions must be approved by the Associate Director for Finance and Administration.

b. Purchases from appropriated funds are limited to vegetation dirt, potting soil, fertilizer, seeds, and plants needed for erosion prevention, research, or agriculture. Appropriated funds may not be used for the purchase, rental, or maintenance of live or artificial indoor plants used purely for aesthetic purposes.

8.11 Proprietary Purchases

a. A proprietary purchase is the purchase of a product or service for which there is only one manufacturer or vendor. Such a purchase does not permit a similar product or service to be supplied. The price of a proprietary purchase may or may not be determined through the competitive bidding process.

1. When a department submits a requisition containing specifications or conditions of a purchase that are proprietary to one vendor, the department will be required to provide written justification. The Purchasing Department will make the determination of whether the purchase can be made based on a sole source or competitive bid.

c. A written justification for the use of proprietary specifications or conditions should contain:

(1) An explanation of the need for the specifications or conditions.

(2) Statement of the reasons any competing or equivalent products are not satisfactory.

(3) Other information requested by the Purchasing Department.

(4) Signature of the department head or designee.

d. The Proprietary Purchase Justification form will be used by a department when requisitioning a proprietary purchase.

8.12 Emergency Purchases (*See section 9 for Emergency Response purchases.)*

1. An emergency purchase is defined as a purchase of goods or services so urgently needed that the agency will suffer financial or operational damage unless the goods or services are secured immediately. In the case of an emergency, the affected department must notify the Purchasing Department immediately. If the emergency happens outside normal business hours and Purchasing Department personnel cannot be contacted immediately, the department must notify the Purchasing Department as soon as possible on the next regular workday.

b. An [Emergency Purchase Justification](http://tfsfinance.tamu.edu/modules/finance/admin/procedures/emergpurchjust.htm) is required for this type of purchase. Whenever possible, at least three informal bids should be obtained for an emergency purchase over $10,000.

c. The Purchasing Department will issue a confirming purchase order upon receipt and approval of the purchase documentation.

8.13 Federal Funds Purchase Requirements

Upon award of a purchase order or contract exceeding $10,000, vendors must comply with Executive Order 11246 (Equal Employment Opportunity). A written copy of the vendor’s affirmative action plan is required for all orders exceeding $50,000. Additionally, the vendor’s written assurance of compliance with the Clean Air Act of 1970 and the Federal Water Pollution Act must be obtained on all orders exceeding $100,000.

8.14 Written Contract/Agreement Requirement

If a particular purchase requires the signing of any type of written agreement or contract, it must be processed by the Purchasing Department even if the cost is less than $10,000. Departments are not delegated the authority to sign contracts or agreements with vendors, regardless of the dollar amount.

8.15 Acknowledgement of Employee’s Death or Loss of Family Member

An acknowledgement card for the family of an employee who has passed away or for an employee who has lost an immediate family member may be purchased.

a. The expenditure must be paid from an account that is NOT funded by state appropriations, contracts, grants or donor-restricted gifts.

1. Immediate family member includes only the employee’s spouse or the employee or spouse’s child, parent, brother, sister, grandparent or grandchild.

8.16 International Purchases

Employees making international purchases with procurement cards or spot purchases will be responsible for ensuring such transactions comply with export control laws and regulations. Employees or departments must contact the Compliance Coordinator to resolve any export control issues prior to the purchase.

8.17 Unmanned Aircraft Systems (UAS) Purchases

All UAS purchases must be classified as EAR99; classification must be verified prior to purchase. Exceptions must be coordinated with the Compliance Coordinator for export control purposes.

8.18 Promotional Type Items

a. Items to be coded as Promotional Items (Object Code 5242)

(1) The agency considers items that bear the agency’s name/logo and serve only to promote awareness of the agency to be promotional items. These items may be used at events such as vendor or employee recruiting fairs.

b. Items to be coded as Program Supplies (Object Code 4014)

(1) The agency considers promotional type items that bear program specific information on them (such as fire prevention) raise awareness of specific programs or program initiatives to be program supplies.

(2) If these items are part of a national campaign, the agency may be able to use an existing federal contract. Otherwise, the agency will have to go through normal purchasing procedures to procure them.

c. Allowable Accounts

1. The agency will use the following accounts funded from interest income to purchase promotional items because of restrictions on state and federal funds and the potential for audit issues:

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| Director’s Office | 214002 |
| FIAD | 214006 |
| FRP | 224002 |
| FRD | 234003 |

9. PURCHASES FOR EMERGENCY RESPONSE INCIDENTS

To the maximum extent possible, staff assigned to emergency response activities will follow all standard purchasing procedures. When circumstances make this not possible, contact the Purchasing Department for assistance.

10. HISTORICALLY UNDERUTILIZED BUSINESS PROGRAM

10.1 The agency will involve qualified HUBs to the greatest extent allowed by law in the agency’s construction contracting and professional services. HUBs will also be utilized in the purchase, lease, or rental of supplies, materials, services and equipment.

10.2 Departments will identify and utilize HUBs whenever possible for the purchase of goods and services. Departments can identify HUBs from an [on-line listing](https://mycpa.cpa.state.tx.us/tpasscmblsearch/index.jsp) maintained by SPD and FAMIS screens 173 and 174. The HUB Coordinator and the Purchasing Department staff will assist departments in identifying HUBs for such purchases.

CONTACT: [Purchasing Department Head](mailto:tsmith@tfs.tamu.edu), (979) 458-7381