

CENTRALIZED PURCHASING

A. Purpose

The purpose of this policy is to provide uniform and systematic guidelines for University of Texas Rio Grande Valley (UTRGV) procurements, including UTRGV's centralized purchasing, "best value" procurements and purchases from employees, as well as authorize, provide and promulgate guidelines to expedite the purchasing function.

B. Persons Affected

This policy impacts all employee who participate to any extent in the procurement of goods or services, including accumulation of information regarding goods and services, preparation of procurement documentation (including solicitations, contracts and purchase orders), and selection of providers of goods or services.

C. Definitions

1. Department Head - A UTRGV department head, director, college dean, division vice president, or the President as applicable to individual SPO Program Users.
2. SPO Program Administrator - UTRGV's Associate Director of Procurement Management.
3. SPO Program Users - UTRGV employees designated by the Department Head to issue, approve and deliver small purchase orders. Each SPO Program User will be held accountable for all small purchase orders issued, or delivered by the SPO Program User. SPO Program Users are the only persons authorized to enter into small purchase order transactions. Only full-time employees may be SPO Program Users.

D. Policy

1. *Centralized Purchasing:*

a. *Role of the Materials Management Department*

All procurement activities (including all negotiations which involve purchase price, terms, conditions, delivery, quantity, substitutions, complaints or any other aspect of the procurement process) must be handled by the Procurement Management Department, unless the Associate Director of Procurement Management provides advance written authorization for an alternate process.

All purchases of goods and services, under any budget and regardless of the source of funds, require the issuance of a purchase order, a contract or a Procurement Card and shall be made using the procurement method that provides "best value" to the UTRGV.

2. *“Best Value” Procurement:*

UTRGV is authorized under Texas Education Code, Section 51.9335, Acquisition of Goods and Services, to use “best value” procurement processes to purchase goods and services to accomplish UTRGV’s procurement objectives through the optimum combination of economy and quality resulting from fair, efficient, and practical procurement decision-making and which achieves the institution’s procurement objectives.

UTRGV shall conduct all procurement activities in a manner that assures each purchase of goods or services provides “best value” to UTRGV.

The procurement methods and selection criteria used in the solicitation and award of procurement transactions shall be determined by UTRGV’s Procurement Management Department in accordance with this policy, best procurement practices, UTRGV’s established purchasing policies and procedures (including UTRGV’s Procurement *Management Procedures Manual*), The University of Texas System Board of Regents’ *Rules and Regulations*, The University of Texas Systemwide Policies (including UTS159, Purchasing) and applicable law.

Pursuant to The University of Texas System Policy UTS159, Purchasing, and subject to the approval of the Executive Vice President for Finance and Administration and The University of Texas System Vice Chancellor and General Counsel, the Chief Procurement Officer shall establish and implement new purchasing procedures and changes to existing purchasing procedures; provided, that, only material changes to purchasing procedures, including new procedures and changes to existing purchasing procedures, require review and approval by The University of Texas System Vice Chancellor and General Counsel.

a. *Closed Specifications:*

In accordance with The University of Texas Systemwide Policy UTS159, Purchasing, closed specifications (*also known as noncompetitive, proprietary or sole source specifications*) shall not be used except in unusual instances clearly justified as being essential to efficient operating performance and only after the submission and approval of a justification request Sole Source Request Form.

b. *Central Receiving:*

All deliveries of goods must be made to the Central Receiving Departments located at:

Brownsville Campus

One W. University Blvd., Brownsville, Texas

Edinburg Campus

1407 East Freddy Gonzalez Drive, Edinburg, Texas

Harlingen Campus

One W. University Blvd.
Brownsville, Texas 78520

McAllen Campus

1800 S. Main Street, Suite 1100
McAllen, TX 78503

Other delivery points may be approved in writing by the Associate Director of Procurement Management prior to delivery. If a delivery is made directly to a UTRGV department, the department must immediately notify Central Receiving in writing.

c. *Invoices:*

All invoices and statements received in connection with the purchase of goods and services should immediately be sent to the Accounts Payable for payment. The requisitioning department should note on the invoice: (1) the purchase order number, and (2) any problems with the procurement process, goods or services, that would prevent payment.

d. *Noncompliant Purchases:*

UTRGV considers compliance with this policy and UTRGV's *Procurement Management Procedures* to be essential to the proper functioning of UTRGV.

UTRGV shall not be liable for purchases of goods or services that are not in compliance with this policy and UTRGV's *Procurement Management Procedures*. Employees may be personally liable for purchases that are not in compliance with this policy and UTRGV's *Procurement Management Procedures*.

Prior to payment, invoices for purchases that do not comply with this policy and UTRGV's *Procurement Management Procedures* require (1) submission of a written justification from the department head and any other individuals responsible for the purchase, as well as (2) written approval of the justification by the Associate Director of Procurement Management. At a minimum, the justification must include:

- i. Documentation of the reason for and business purpose of the purchase
- ii. Name and title of the individuals responsible for the purchase
- iii. Amount of the purchase
- v. Statement indicating whether any of the individuals responsible have previously failed to comply with this policy or UTRGV's *Procurement Management Procedures*
- vi. Statement declaring that the individuals responsible have received training related to this policy and UTRGV's *Procurement Management Procedures*

- vii. Agreement by individuals responsible that all future purchases will be made in accordance with this policy and UTRGV's *Procurement Management Procedures*.

Repeat violations of this policy or UTRGV's *Procurement Management Procedures* will not be tolerated.

3. *Purchases from Employees:*

Pursuant to the University of Texas Systemwide Policy UTS159, Purchasing, purchases from or sales to any employee of UTRGV, The University of Texas System, or any institution of The University of Texas System of any supplies, materials, services, equipment, or property are not permitted unless approved in advance by the President. Moreover, any such purchase shall be made only if the cost is less than from any other known source. This section does not apply to sales or purchases made at public auction.

Departments and employees must consult the Procurement Management Department before beginning the process to purchase goods or services from any employee of UTRGV, The University of Texas System, or any institution of The University of Texas System.

Note that, as a result of community property laws in Texas, purchases from the spouse of an employee may constitute a purchase from that employee.

4. *Small Purchase Order Program:*

a. *Authority:*

Pursuant to Rule 10501 of The University of Texas System Board of Regents' *Rules and Regulations*, the President authorizes the SPO Program Administrator to implement, manage and oversee a small purchase order program (SPO Program) to facilitate and expedite the purchasing function. The SPO Program Administrator shall promulgate procedures to provide appropriate oversight of the SPO Program and regulate participation by SPO Program Users. The procedures shall be developed in accordance with sound business practices, applicable law, UTRGV's established purchasing policies and procedures (including Procurement Management Procedures Manual), The University of Texas System Board of Regents' *Rules and Regulations* and The University of Texas Systemwide Policies (including UTS159, Purchasing). The SPO Program Administrator will make the procedures available to all UTRGV departments and employees.

The President also authorizes each SPO Program User to prepare, execute and deliver small purchase orders, so long as those orders comply with this policy, UTRGV's established purchasing policies and procedures (including Procurement Management Procedures Manual), The University of Texas System Board of

Regents' *Rules and Regulations*, The University of Texas Systemwide Policies (including UTS159, Purchasing) and applicable law.

Authorized Users are not authorized to further delegate the authority granted pursuant to this policy.

b. *Training:*

Before an employee may be designated as an SPO Program User, the employee must attend and complete the SPO Program training provided by the Procurement Management Department. Employees seeking to become an SPO Program User shall contact the Associate Director of Procurement Management and request the approval of the employee's Department Head.

c. *Compliance with SPO Program Procedures:*

Department Heads and SPO Program Users must comply with this policy, UTRGV's established purchasing policies and procedures (including UTRGV's Procurement Management Procedures Manual), The University of Texas System Board of Regents' *Rules and Regulations*, The University of Texas Systemwide Policies (including UTS159, Purchasing) and applicable law. Failure to comply may result in termination of SPO Program privileges and disciplinary action against Department Heads and/or SPO Program Users, including reimbursement of costs of SPO Program purchases to UTRGV and termination of employment. Criminal penalties may also apply to employees that fail to comply with this policy and UTRGV's Procurement Management Procedures Manual.

5. *Policy Exceptions:*

Exceptions to this policy may be made by the Executive Vice President for Finance and Administration in writing on a case-by-case basis, if the Executive Vice President for Finance and Administration finds that the best interest of UTRGV will be served by making the exception.

E. Responsibilities

Not applicable.

F. Procedure

Procedures can be found in the UTRGV Procurement Management Procedures Manual, Procurement Management Procurement Card Program Manual and UTRGV's ethics policies and procedures.

G. Relevant Federal and/or State Statute(s), Board of Regents' Rule(s), UTS Policy(ies), and/or Coordinating Board Rule(s)

The University of Texas System *Board of Regents' Rules and Regulations Rule 10501*, Delegation to Act on behalf of the Board

The University of Texas System *Board of Regents' Rules and Regulations Rule 20901*, Procurement of Certain Goods and Services

The University of Texas System *Board of Regents' Rules and Regulations Rule 30104*, Conflict of Interest, Conflict of Commitment, and Outside Activities

The University of Texas Systemwide Policy UTS134, Code of Ethics for Financial Officers and Employees

The University of Texas Systemwide Policy UTS159, Purchasing

The University of Texas Systemwide Policy UTS180, Conflicts of Interest, Conflicts of Commitment, and Outside Activities

Texas Education Code, Section 51.9335 – Acquisition of Goods and Services

Texas Education Code, Section 65.31(g) – General Powers and Duties

Texas Government Code, Section 403.023 – Credit, Charge and Debit Cards