

Procedure 4-2

Best Value Purchasing Procedures

Responsible Officer: Chief Financial Officer and Vice President for Business Affairs

Sponsoring Department: Procurement Services

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Errors or changes to: aim@uta.edu

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Procedure Objective

This comprehensive procedure establishes effective guidelines for the procurement of all goods, supplies, equipment and services at specified quality and quantity levels required to achieve the mission of the University of Texas at Arlington by methods that are consistent with best value principles, applicable laws and regulations, and best industry practices. "Best Value" means the optimum combination of economy and quality that is the result of fair, efficient and practical procurement decision-making. The procurement methods described in this procedure include open market procurements, group purchasing contracts, term contract purchases, trade-ins, leases, rentals, and the purchase of goods and/or services when the ProCard cannot be used. This procedure also includes instructions for assessing supplier performance and for contracting with Historically Underutilized Businesses (HUBs).

Rationale

It is the policy of the University of Texas at Arlington Office of Procurement Services to facilitate and expedite the purchasing function for all departments of the University with a staff of honest, ethical and qualified purchasing professionals. All personnel authorized to make procurements on behalf of the University are expected to identify the most appropriate and effective method of acquisition for each assigned requisition in order to obtain the maximum value for each dollar of expenditure. They are required to make all purchases, regardless of the source of funds, on a competitive basis unless otherwise authorized by law, UT System policy, or UTA policy. The University of Texas at Arlington requires honest and ethical conduct of all employees who are authorized to make purchases on behalf of the University. Demonstration of ethical behavior includes giving no special consideration to bidders, not accepting gifts or gratuities that might in any way result in an expectation or obligation to individuals or companies seeking business, and complying with this procedure and all related laws, rules, and regulations.

Scope

This procedure applies to Office of Procurement staff and all other employees involved in the procurement process or authorized to make purchases on behalf of the University, and employees with University delegated contracting authority. The Office of Procurement is under the supervision of the Senior Director of Procurement Services, who is accountable to the Associate Vice President for Business Affairs and Controller.

Related Statutes, Policies, Requirements or Standards

UT System Administration Policies and Standards

Regents' Rules and Regulations, Rule 20201, Presidents, [Section 4](#), Duties and Responsibilities

[UTS159, Purchasing](#)

Other Policies and Standards

Institutional Policy and Informational Documents([HOP ADM 1-300](#))

Payments for Professional Services ([Procedure 1-19](#))

Purchasing Card (ProCard) Program ([Procedure 4-11](#))

[UTS156, Purchaser Training & Certification](#)

Reimbursements and Payments Other Than for Travel and Purchase Orders ([Procedure 4-26](#))

[UTS137, Historically Underutilized Business \(HUB\) Program](#)

Contract with Historically Underutilized Businesses (HUB) ([Procedure 4-28](#))

[UTS126, Processing of Space Lease Agreements](#)

[Texas Education Code, Section 51.9335, Acquisition of Goods and Services \(Providing Best Value\)](#)

[Board of Regents' Rules and Regulations, Rule 20901, Procurement of Certain Goods and Services](#)

[Article XVI, Section 21, Texas Constitution, Public Printing and Binding: Repairs and Furnishings; Contracts](#)

[Board of Regents' Rules and Regulations, Rule 30103, Standards of Conduct](#)

[TIBH Industries \(Employment for Texans With Blindness and Other Disabilities\)](#)

Regents' Rules and Regulations, Rule [80103](#), Solicitation

[Texas Procurement and Support Services \(TPASS\)](#)

Regents' Rules and Regulations, Rule [10501](#), [Delegation to Act on Behalf of the Board](#)

[Federal Office of Management and Budget, OMB Circular A-102, Grants and Cooperative Agreements with State and Local Governments](#)

[Federal Office of Management and Budget, OMB Circular A-110, Uniform Administration Requirements for Grants and Agreements with Institutions of Higher Education](#)

Federal Acquisition Regulation (FAR)

Contacts

If you have any questions about this procedure, contact the following departments:

Subject	Office Name	Telephone Number	Email/URL
All topics in Procedure	Procurement Services	817-272-2194	<u>procurement@uta.edu</u>
Website access	Administrative Information Management	817-272-0222	<u>aim@uta.edu</u> <u>http://www.uta.edu/aim</u>

Definitions

Alliance (The University of Texas System Supply Chain Alliance): The collaboration and shared efforts of all University of Texas system institutions for contracts that provide reliable,

sustainable solutions for the purchase and delivery of equipment, services and supplies to support the core missions of education, patient care and research.

DIR Contracts: State of Texas Department of Information Resources (DIR) awards and manages cooperative contracts for information and communications technology.

E & I Contracts (E&I): A group purchasing organization also referred to as Educational and Institutional Cooperative that contracts with various suppliers for goods and services.

Group Purchasing Organization (GPO): An entity that is created to leverage the purchasing power of a group in order to obtain discounts from vendors.

Historically Underutilized Businesses (HUBs):Historically underutilized businesses (companies owned by women, minorities, or service disabled veterans) that are certified by the State of Texas. Employees are strongly encouraged to identify and use HUBs whenever they are available and competitive

Invitation to Bid (ITB): An invitation to bid (ITB) is a formal competitive solicitation, which is sometimes referred to as a "sealed bid". ITBs require an advertised public opening conducted at the time and date specified in the ITB. The responses are evaluated and awarded to the responsive, responsible bidder with the lowest price or best value. When using this solicitation, price as well as specification requests are primary considerations in the award process

Open Market Procurement: Markets where it is appropriate to apply RFQs, ITBs, RFPs, etc.

Payment Voucher (PO Voucher and non-PO Voucher):Used to generate payments for goods and services

Premier Health Alliance: A group purchasing organization utilized through the Alliance.

ProCard: The Purchasing Card (ProCard) Program is authorized by the State of Texas, Texas Procurement and Support Services (TPASS), through a contract with Citibank. The ProCard is a Citibank MasterCard. This program is designed to delegate authority and capability to purchase certain low-value items directly to the account manager. Use of the ProCard significantly reduces the requirements to obtain purchase order numbers, process invoices for payments and prepare large numbers of voucher/payment documents

Purchase Order: Written authorization for a supplier to ship products or provide a service at a specified price, which becomes a legally binding contract once the supplier accepts it

Resale-authorized Departments: The retail store in the University Center, the Fort Worth Maverick Market, and the Health Services Pharmacy are authorized to purchase items for resale

RFP (Request for Proposal): An invitation for suppliers, through a competitive sealed bidding process, to submit a proposal on a specific commodity or service. The request process brings structure to the procurement decision and allows the risks and benefits to be identified clearly

upfront. The procedure allows changes to be made after the proposals are opened and contemplates that the nature of the proposals and/or prices offered can be negotiated prior to award. This process is lengthier than others but it ensures that the solution chosen will suit the University's requirements

RFQ (Request for Qualifications): Procurement method used when securing professional services. This solicitation method examines the qualifications of responding firms. Respondents are evaluated and ranked as to how each best meets advertised qualifications. After rankings are established the University begins negotiations with the most qualified supplier to come to an agreement on pricing.

Small Dollar Purchase Order: Small Dollar Purchase Order: Purchase Orders with a total value of less than \$15,000 (including freight)

Solicitation: As defined in Regents' *Rules and Regulations Rule 80103, Solicitation*, solicitation means the sale, lease, rental or offer for sale, lease or rental of any property, product, merchandise, publication or service, whether for immediate or future delivery; an oral statement or the distribution or display of printed material, merchandise or products that is designed to encourage the purchase, use or rental of any property, product, merchandise, publication or service; the oral or written appeal or request to support or join an organization other than a registered student, faculty or staff organization; the receipt of or request for any gift or contribution; or the request to support or oppose or to vote for or against a candidate, issue or proposition appearing on the ballot at any election held pursuant to state or federal law or local ordinances

Term Contracts: State of Texas Contracts: Texas Procurement and Support Services (TPASS) awards and manages hundreds of statewide contracts on behalf of more than 200 state agencies and 1,700 local government agencies.

Texas Multiple Award Schedule (TXMAS) Contracts: TPASS has established contracts that have been competitively awarded by the federal government or any other government entity of any state

TIBH: TIBH Industries, Inc. helps provide employment, through the State's use of the Works Wonders Program, for Texans with blindness and other disabilities

Total Contract Period/Amount: The total potential contract/purchase order amount taking into consideration the estimated spend over the total potential contract period, including all possible renewal options.

UTAFLOW form: Electronic approval document used to approve finance transactions and routed in ServiceNow

UTShare: The computerized finance system used at UTA.

Responsibilities

Accounts Payable

- Processes and approves payments for goods and/or services after a purchase order or purchase order number is obtained

All Employees Involved in the Procurement Process

- Report any violation of purchasing ethics promptly to the Associate Vice President and Controller
- Determine the most appropriate and effective method of acquisition for each requisition
- Assume responsibility for purchases until the purchases are authorized by the Office of Procurement
- Notify the Office of Procurement Services of poor supplier performance
- Work with the University's HUB Coordinator to identify certified minority, women-owned, or service-disabled veteran businesses to bid on procurement opportunities
- Comply with this procedure and all related laws, rules, and regulations

Senior Director of Procurement Services

- Approves exceptions to this procedure: this responsibility may be delegated
- Approves processing of purchases prior to the issuance of a purchase order
- Establishes, implements, and maintains a training and certification plan for Procurement staff
- Approves justified purchases from non-TIBH sources

Department Heads

- Approve Requisition UTAFLOW form in ServiceNow that will route to the Office of Procurement Services

Procurement Services

- Obligates institutional funds for purchases of supplies, materials, services and equipment
- Places purchase orders, issues purchase order numbers, releases purchases as authorized, and assists other departments in all matters involving purchase orders
- Assists departments and personnel who have been given delegated authority to make independent purchases
- Approves written procurement procedures used for the purchase of items for resale
- Specifies recycled/remanufactured goods whenever possible
- Obtains departmental requisitions, bids, and quotes, and reviews for accuracy and compliance with specifications
- Maintains an accurate file of all procurement transactions and related correspondence
- Interviews and conducts correspondence with suppliers on all matters related to procurement
- Receives and processes all requests for lease or rental of space or equipment

Chief Financial Officer and Vice President for Business Affairs

- Reports violations of purchasing ethics to the President and the UT System Executive Vice Chancellor for Business Affairs

Procedures

Section I. Determining Best Value - General Guidelines

1. When determining best value, personnel authorized to make procurements on behalf of the University shall consider:
 1. Purchase price
 2. Reputation of the supplier and of the supplier's goods or services
 3. Quality of the supplier's goods or services
 4. Extent to which the goods or services meet the University's needs
 5. Supplier's past relationship with the University
 6. Impact on the ability of the University to comply with the laws and rules relating to historically underutilized businesses
 7. Impact on the ability of the University to comply with the laws and rules relating to the procurement of goods and services from persons with disabilities
 8. Long term cost to the University of acquiring the supplier's goods or services
 9. Any relevant factor that a private business entity would consider in selecting a supplier
 10. If the procurement relates to the repair of real property, in determining best value the University shall consider the use of material to repair real property that is not proprietary to a single supplier unless the institution provides written justification in the procurement solicitation for use of the unique material specified

Section II. Responsible Purchasing Practices

As an agency of the State of Texas and as a public institution of higher education, UTA has a responsibility to support matters of public policy. Accordingly, when possible, buyers should give consideration in their award decisions to goods and services described in this section.

1. Recycled/remanufactured goods: Whenever possible, Procurement staff and delegated university departments shall specify the following recycled/remanufactured goods, or their use:
 1. Products made of recycled, remanufactured, or environmentally sensitive materials, including:
 1. recycled steel
 2. 100% post-consumer content office paper
 3. 30% to 100% PCC color-copy paper
 4. Recycled paper products including, but not limited to, stationery, letterhead, and business cards
 2. Energy-efficient products that contain the Energy Star rating, including:
 1. computers
 2. photocopiers

3. other applicable office equipment
3. "Green" cleaning supplies and other applicable products, having Green Seal or Eco Logo Certification
4. Rubberized asphalt paving material
5. Recycled motor oil and lubricants
6. Products produced at facilities located on formerly contaminated property
2. Local Suppliers: When possible, buyers should give consideration to goods that are:
 1. Supplies, materials, equipment, or services produced in Texas and/or offered by Texas bidders
 2. Agricultural products produced or grown in Texas
 3. Agricultural products and services offered by Texas bidders
 4. USA produced supplies, material or equipment
3. Economically depressed and blighted areas: When possible, buyers should give consideration to the purchase of products and services from economically depressed or blighted areas.
4. Purchases from people with disabilities (TIBH): When the University purchases goods or services that are available from a TIBH source from a non-TIBH source, a written justification must be provided documenting why TIBH goods or services were unacceptable. Information about TIBH goods and services can be obtained at their website, <http://www.tibh.org/index.php>.
 1. If a TIBH supplier is not chosen, prepare a written justification documenting the reason why TIBH goods or services were unacceptable. Reasons may include specifications regarding quality, quantity, delivery, life cycle costs, and prices.
 2. Forward the written justification to the Senior Director of Procurement Services or designee with a request for review and approval.
5. The Office of Procurement will review requisitions to determine if the requested good/service is available from one of the following:
 1. University established contracts
 2. Alliance/Premier Health Alliance contracts
 3. Texas Procurement & Support Services (TPASS Contracts):
 1. Term Contracts
 2. Texas Multiple Award Schedule Contracts (TXMAS)
 4. Texas Department of Information Resources (DIR)
 5. UT System Approved GPO's (ref. Section IV)
6. Historically underutilized businesses (HUBs): The Texas Government Code encourages all state agencies to make a good faith effort to increase purchases and contract awards to certified historically underutilized businesses. See *Contract with Historically Underutilized Businesses (HUB)* ([Procedure 4-28](#)) for more information about UTA HUB policies.

Section III. Federal Funds

All procurements of supplies, equipment and services utilizing federal funds (e.g., federal grant or contract) shall be made in accordance with all applicable federal rules and regulations such as the *Federal Acquisition Regulation* ([FAR](#)), [Federal Office of Management and Budget \(OMB\) Circular A-102](#), *Grants and Cooperative Agreements with State and Local Governments*, and [Federal Office of Management and Budget \(OMB\) Circular A-110](#), *Uniform Administration*

Requirements for Grants and Agreements with Institutions of Higher Learning. Please refer to Contract and Grant Services procedures, <http://www.uta.edu/research/administration/policies-procedures/>, for instructions.

Section IV. UT System Group Purchasing Organization (GPO) Accreditation Program

1. The Board of Regents of The University of Texas System (UT System) approved plans to accredit qualifying group purchasing organizations (GPOs), including Texas state agencies performing GPO functions that are identified as potential suppliers of GPO contracts to UT System or its institutions. Organizations that fail to secure accreditation, or that decline to participate in the accreditation process, no longer will be used by UT System or its institutions for GPO contracts.
 1. The University may only use the following GPO's for procurements > and or = \$15,000:
 1. The University of Texas System Supply Chain Alliance (Alliance)
 2. Brazos Valley Council of Governments, dba Purchasing Solutions Alliance (PSA)
 3. E&I Cooperative Services, Inc. (E&I)
 4. Education Service Center Region 19 Allied State Cooperative
 5. The Local Government Purchasing Cooperative, dba BuyBoard
 6. Premier Health Alliance, LP (Premier Health Alliance)
 7. Texas Comptroller of Public Accounts (Statewide Procurement Division)(TPASS/TXMAS)
 8. Texas Department of Information Resources (DIR)
 2. There are specific guidelines that must be followed when using these GPO's.
 1. Quotes specific to Alliance Contracts:
 1. No bids are required in order to identify "best value".
 2. If purchase exceeds \$2 million, the Office of Procurement must submit to UT System administration, all documentation regarding the proposed purchase for review.
 2. Quotes specific to Premier Alliance Health Contracts:
 1. For purchases up to \$2 million, one (1) supplier quote must be obtained from the identified category.
 2. If purchase exceeds \$2 million, a minimum of three (3) valid proposals/bids (or two (2) if there are only two firms in the category) must be taken from contracted suppliers, in order to identify "best value". Additionally, prior to contracting, the Office of Procurement must submit to UT System administration, all documentation regarding the proposed purchase for review.
 3. Services will require the cooperation of the department to provide a Statement of Work (SOW) so that the Office of Procurement can bid out the service.
 3. Quotes specific to all other GPO's:
 1. Three (3) supplier quotes must be obtained from the identified category to identify "best value". This applies to the procurement of both goods and services.

2. If there are only two (2) suppliers in the category, quotes must be obtained from both vendors, this must be documented and purchase can proceed without further justification. This applies to the procurement of both goods and services.
3. If an award has been made to only a single supplier in a given category, it is not necessary to justify the purchase as an exclusive acquisition. This applies to the procurement of both goods and services.
4. Services will require the cooperation of the department to provide a Statement of Work (SOW), and the Office of Procurement will handle the bidding.
5. If a purchase exceeds \$2 million, a minimum of three (3) valid proposals/bids (or two (2) if there are only two firms in the category) must be taken from contracted suppliers, in order to identify "best value". Additionally, prior to contracting, the Office of Procurement must submit to UT System administration, all documentation regarding the proposed purchase for review.

Section V. Meeting Minimum Requirements for Open Market Procurements

1. The following procedures outline minimum solicitation requirements for those orders processed on the open market (e.g., via RFQ, ITB, RFP, etc.). Minimum requirements do not negate the buyer's obligation to ensure that a competitive procurement occurs and best value is attained. It shall be the buyer's responsibility to determine the appropriate number of competitive suppliers from whom to solicit offers with consideration given to maximizing HUB participation and contract awards. The following dollar threshold and minimum solicitation requirements apply to both local and state funds:
 1. Purchase of goods and/or services costing less than \$15,000 including freight, may be placed without competitive bids. The State of Texas Purchasing Card (the "ProCard") is the preferred method of placing orders that are \$4,000 or less, ref. Purchasing Card (ProCard) Program(Procedure 4-11). If the ProCard is not accepted by the supplier, or is not an allowable ProCard purchase, then the purchase will be made with a small dollar purchase order. Required steps are as follows:
 1. Obtain the source of detailed pricing (i.e. fax or e-mail from supplier, copy of web site, catalog page, etc.) to support audit requirements.
 2. Create a requisition in UT Share based upon above pricing confirmation.
 3. Complete the Requisition UTAFLOW approval form.
 4. UTShare will run a process to convert the requisition into a purchase order (PO) and a PO ID will be assigned to the purchase.
 5. e. When the purchase order is approved and has passed a budget check, the dispatch process will send the PO to the requester for dissemination to the supplier. **NOTE: A PURCHASE ORDER MUST HAVE A STATUS OF "DISPATCHED" BEFORE THE PO ID IS GIVEN TO A SUPPLIER.**
 6. Acceptance/receipt - only applies to goods (not services). For purchase orders of less than \$15,000 when receiving hasn't already taken place,

departments can perform desktop receiving, but only by the creator of the associated requisition. See UTShare Financial Topics - Desktop Receiving for more information. If there is no requisition associated with the purchase order or another employee created the associated requisition the department will need to contact Property Management to request a receipt

7. Obtain an itemized invoice for voucher processing, create and submit a Payment Voucher in UTShare.
8. Required documentation for Accounts Payable review is to be attached to the:
 1. Invoice: *All* items on the invoice must have been received (if required) and accepted by the requesting department prior to payment voucher processing. Invoices that have not been processed correctly will not be approved for payment. Additionally, invoices that are not itemized will not be approved for payment.
 2. Purchases shall not be divided or split into bundles totaling less than \$15,000 in order to evade procurement procedures for purchases over \$15,000.
9. If the ProCard cannot be used and the purchases are for non-purchase order items or reimbursements see Reimbursements and Payments Other Than for Travel and Purchase Orders (Procedure 4-26).
2. Purchases Requiring Special Handling
 1. Purchases for printing or printing services using State of Texas funding (Fund 21XX) require special handling by the Office of Procurement and may not be handled at the departmental level, regardless of dollar amount of purchase.
 2. Purchases of \$15,000 and up to \$50,000 will require a minimum of three (3) quotes to be taken by the Office of Procurement or the department. At least two (2) quotes must be obtained from HUBs (companies owned by women or minorities, or service disabled veterans). All quotes must be valid for 30 days. Note: See Section IV if using a GPO
 3. Purchases over \$50,000 to \$1 million will require formal written bids or proposals in response to a written solicitation issued by the Office of Procurement. At least two (2) bids or proposals must be obtained from HUBs (companies owned by women, minorities, or service-disabled veterans). Note: See Section IV if using a GPO
 4. Purchases over \$1 million will require formal written bids or proposals in response to a written solicitation issued by the Office of Procurement. At least two (2) bids or proposals must be obtained from HUBs (companies owned by women, minorities, or service-disabled veterans). Additionally, purchase is subject to Board of Regents *Rule* 10501.
 5. The Office of Procurement Services will review exceptions to these procedures only when circumstances warrant deviation
2. Requisitions for Open Market Procurements
 1. An official UTShare Requisition and appropriate UTAFLOW approval form is completed for open market procurements \$15,000 and over.

2. The department head must approve the UTAFflow form which will route to the Office of Procurement for processing.

Section VI. Purchase of Items for Resale Only

Auxiliary departments having authority to purchase items for **resale only** may do so without going through the Office of Procurement Services so long as such departments have appropriate written procurement procedures approved by the Office of Procurement Services and those procedures are followed for the resale. The retail store in the University Center, the Fort Worth Maverick Market, and the Health Services Pharmacy are authorized to purchase items for resale.

Section VII. Purchase Orders

1. Requirements for Purchase Orders

Except for credit card purchases and those purchases listed in VII.B, **A PURCHASE ORDER OR A PURCHASE ORDER NUMBER MUST BE OBTAINED BEFORE A PURCHASE IS MADE**. Accounts Payable will not process or approve payments for goods and/or services when purchases are made prior to a purchase order being issued or a purchase order number being obtained from Procurement unless approved by the Senior Director of Procurement Services or designee.

1. Departments will be sent an email when this situation occurs.
2. Exception requests must be submitted as outlined in Section XIX.
3. The steps outlined in Section V A. 1. should be followed for all purchase orders regardless of the invoice dollar amount for materials and the payment of invoices, *with the following two exceptions:*
 1. Purchases for \$4,000 or less, including freight charges, that can be made with the ProCard and for which a suitable supplier can be identified (See *Purchasing Card (ProCard) Program* ([Procedure 4-11](#))).
 2. Purchases that are for non-purchase order items or reimbursements (See *Reimbursements and Payments Other Than for Travel and Purchase Orders* ([Procedure 4-26](#))).

2. Goods and Services Not Requiring a Purchase Order

Some purchases of goods and services may not require a purchase order because best value is obtained by procuring such goods or services by other means. Purchases of the following goods or services should not be processed using a purchase order but must be processed in accordance with *Reimbursements and Payments Other Than for Travel and Purchase Orders* ([Procedure 4-26](#)).

1. Central Library procurements for books, subscriptions, journals, etc.
2. Utilities - telephone, electric, gas and water
3. Filing fees for work to be performed on buildings, e.g. Texas Department of Health
4. Professional registration/license fees, e.g. University Health Services physicians, safety employees

5. YWCA Child Development Center scholarships and reimbursements
 6. Postal Services - permits, bulk rate fees and meter charges
 7. Insurance premiums
 8. Interagency payments for services (non-encumbrance)
 9. Registration fees for conferences, seminars, and workshops billed by the supplier
 10. Umpires/officials' fees for refereeing sporting events billed by supplier
 11. Memberships in the name of the University or University department
 12. Reimbursements to university employee(s)
 13. Overnight hotel lodging paid on behalf of official university guests
 14. Fees for performers and entertainers billed by a company and any associated requirements in the performers/entertainers rider
 15. Meals in restaurants and catering expenses - pick-up or delivery
 16. Expenses related to hosting a conference (i.e., audio-visual equipment, room rental, booths, etc.)
 17. Guest lecturers
 18. Subscriptions to periodicals, including electronic versions
 19. Flowers
 20. Professional, consulting and/or temporary services from individuals that by nature of the service does not allow UTA to receive a benefit from an open market procurement; however, such services must be processed in accordance with Payments for Professional Services ([Procedure 1-19](#))
 21. Advertisements, e.g. newspapers, radio, TV, billboards, periodicals, etc. and associated services (requires submission of a copy of the ad or ad verbiage)
 22. Miscellaneous fees, e.g. assessments, accreditations, royalties, copyrights, appraisals, training costs, and others as approved by Procurement Services
 23. Publications and audio-visual materials (prepared materials only, not equipment, supplies, or printing)
 24. Leases for office space and associated facility improvements/renovations.
 25. Bottled water and/or soft drinks from Pepsi Bottling Group (Exclusive Pouring Rights Contract). Prior to placing an order, contact Procurement for the appropriate university account number.
 26. Medical services for student athletes paid by the Athletics Department
 27. Retreat facilities
 28. Books and supplies purchased through UTA Bookstore for scholarship recipients
 29. Division of Enterprise Development curriculum/course material development
 30. TMAC purchases mandated by customer contracts
3. Confirmation Purchase Orders

Confirmation purchases are those that are made before a written purchase order is issued by the Office of Procurement. The department must secure a purchase order number from the Office of Procurement prior to making the purchase.

1. Departments requesting authority to make a purchase of this type shall first follow the solicitation requirements outlined in this procedure.
2. The requesting department **MUST** obtain a purchase order number from the Office of Procurement prior to ordering goods and/or services.

3. The requesting department will then place the order with the supplier.
4. When the requesting department is ready to submit the requisition for this purchase, the requester is to contact their designated buyer in the Office of Procurement to coordinate submittal in a manner that will ensure proper PO number assignment. **NOTE:** The University is not legally obligated until the Office of Procurement has authorized the purchase. Any individual making a purchase without proper authority first being given is assuming a personal obligation to the supplier for which he/she may be held personally liable.
5. After an order has been issued to the supplier, all cancellations and changes on that order must be handled by the Office of Procurement.
 1. The requesting department will contact the appropriate buyer as soon as possible.
 2. The requesting department will forward a memo describing the needed change or cancellation to the Office of Procurement. If a change or cancellation of a term contract purchase order is involved, the Office of Procurement will handle correspondence required to obtain the approval of Texas Procurement and Support Services (TPASS) and the supplier.
4. Managing Requisitions
 1. Requisitions are entered into UTShare.
 2. Departments who have access to UTShare may track their requisitions and/or purchase orders using the Manage Requisitions page and drilling down into the Requisition Lifespan. See [UTShare Finance Topics - Manage Requisitions](#) for more information.
5. Purchase Order Release Authority

No Office of Purchasing staff member may dispatch a purchase order to a supplier either verbally or in writing which exceeds his/her dispatch authority until such order is reviewed and approved by personnel who have authority at that level of commitment (preferably attached electronically to the transaction in UTShare). Documents to be attached include:

1. Copy of purchase order
2. Change order(s), if applicable
3. Copy of requisition or request/authorization memorandum, if applicable
4. Confirming quotation or written bid/RFP (including clarifications and revised bids/proposals)
5. Award recommendation, if applicable
6. Bid tabulation and justification for method of purchase
7. Appropriate justification (e.g., emergency, sole-source), if applicable
8. Department (user) review/approval letter or evaluation forms, if applicable
9. Other-than-low-bid justification - approval memo, if applicable
10. Bidders list, if applicable
11. Copy of all submitted quotations or written bids/RFPs, if applicable
12. HUB good faith effort documentation (orders greater than or equal to \$100,000)
13. TIBH justification, if applicable
14. Any additional correspondence

Section VIII. Purchases of Computing Equipment

All purchases of laptop, desktop and tablet computing equipment must conform to [hardware standards](#) published by the Office of Information Technology or be approved by the Office of Information Technology unless such computer equipment is integral to the functioning of research equipment and will not be used for normal UTA business or academic purposes. For immediate requirements for sole computers please see *Emergency Centralized Computer Distribution Program* ([Procedure 19-1](#)).

Section IX. Exclusive Acquisition Procedure (Sole Source Purchases)

1. The competitive bidding process is the foundation of government purchasing. In rare situations though, due to the unique nature of some goods and services, competition may not be possible. It is the responsibility of Procurement to verify that competition is not required and that the acquisition will result in "best value" for the institution in compliance with Tex. Educ. Code 51.9335(b).
2. In order to make this determination, the Procurement Buyer must understand the unique characteristic(s) of the good or service, therefore, the following information must be provided:
 1. Special Use Requirements (equipment only)
 1. To be compatible with existing equipment
 2. For the repair, maintenance or modification of existing equipment
 3. For use as spare or replacement equipment
 2. Required Features:

List the specific feature(s) or characteristic(s) that are required which are unique to the good or service provided by this supplier. Describe the importance of the unique feature(s) as it applies to the intended use and project goals. Describe how the selected supplier meets these requirements

3. Evaluation of Other Sources

Identify other sources that were evaluated (including the names, manufacturers, model numbers, etc.) and the reason they were found to be unsatisfactory for the intended use or in meeting project goals.

NOTE: In doing this, the focus is on the unique or specialized nature of the goods/services to be procured. If there is, in fact, an alternative that would meet the institution's requirements, exclusive acquisition may not be justified, even if the alternative source received lower evaluation scores.

4. Risk Elements:

Describe any substantial risks that could not be overcome if the product or service was procured from another supplier.

3. If the purchase of a good or service is \$15,000 or more, and an equivalent good or service specified is not available, or is limited to one (1) provider of the good or service, then the *Exclusive Acquisition Justification Form* ([Form 4-24](#)) needs to be completed by the

primary user of the goods and/or services being requested. Once complete and signed by the primary user, this form is to be forwarded to the department dean or department head for approval. The completed *Exclusive Acquisition Justification Form* (Form 4-24) then must be attached to a requisition in UTShare to be routed to the Office of Procurement.

4. A buyer will review and approve or deny the *Exclusive Acquisition Justification Form* (Form 4-24). If the form is approved at the buyer level, the form will be forwarded to Procurement management for further review. Upon final approval, the procurement will proceed.
5. If the form is denied at any level, the denial will be communicated to the primary user and a competitive solicitation will be done by the Office of Procurement.

Section X. Emergency Purchases

1. Emergencies occur as the result of unforeseeable circumstances that suddenly and unexpectedly cause the University to need goods/services (for example, the issuance of a court order, new legislation or a natural disaster). Delay or negligence on the part of the University does not qualify as an emergency.
2. If an unforeseen situation arises in which compliance with normal procurement practice (including, normally applicable laws and university rules) is impracticable or contrary to the public interest, an emergency purchase may be warranted to prevent a hazard to life, health, safety, welfare, property or to avoid undue additional cost to the institution.
 1. Notwithstanding the immediate nature of an emergency purchase, all procurements conducted as emergencies should be made as competitively as possible under the circumstances.
 2. In addition, emergency purchases may not exceed the scope or duration of the emergency.
3. When the purchase of a good or service is \$15,000 or more, and needs to be processed on an emergency basis, the Exclusive Acquisition Justification Form (Form 4-24) must be provided to the Office of Procurement. The justification must include the following information:
 1. Risk Elements: State the financial or operational damage/risk that will occur if needs are not satisfied immediately.
 2. Special Circumstances: State why the needs were not or could not be anticipated so that goods/services cannot be purchased following standard procedures.
 3. Supplier Selection: State the reason and process used for selecting the supplier.
4. The Exclusive Acquisition Justification Form (Form 4-24) needs to be completed by the primary user of the goods and/or services being requested. Once complete and signed by the primary user, this form is to be forwarded to the department dean or department head for approval. The completed Exclusive Acquisition Justification Form (Form 4-24) then must be attached to a requisition in UTShare to be routed to the Office of Procurement.
5. A buyer will review and approve or deny the Exclusive Acquisition Justification Form (Form 4-24). If the form is approved at the buyer level, the form will be forwarded to Procurement Management for further review and final approval. Upon final approval, the procurement will proceed. If the form is denied at any level, the denial will be communicated to the primary user and a competitive solicitation will be done by the Office of Procurement.

Section XI. Request for Qualifications (RFQ) - Used to Qualify Vendors

1. A Request for Qualifications (RFQ) is used to identify a group of vendors who meet a set of minimum qualifications in order to submit proposals for a planned solicitation. Only qualified vendors are permitted to submit proposals to the solicitation. This process is required for architects, engineers, RNs, CPAs, physicians, land surveyors, and others as defined in Government Code 2254.002.
2. The decision to use the RFQ process is generally made through discussions between the requesting department and the Contract Management Office.
3. Process:
 1. The Contract Management Office and the department develop a general scope of work (SOW) along with a set of questions that will be asked of the vendors to determine their qualifications for the project.
 2. The department identifies a team of end users/subject matter experts to review vendor submissions and score the responses. The team develops a scoring methodology that will be used in the scoring process. Team members each sign a non-disclosure/conflict of interest statement provided by the contracting office.
 3. The RFQ is publicly posted.
 4. The evaluation team scores the responses and identifies those vendors who meet the minimum qualification requirements. Only qualified vendors are asked to participate in any subsequent solicitation.
 5. When the RFQ is concluded, the University may or may not issue a solicitation.
4. If a professional service cannot be pre-qualified, the *Exclusive Acquisition Justification Form* ([Form 4-24](#)) must be provided to the Office of Contract Management. The justification must include the following information:
 1. Supplier Selection:

Criteria used to select a supplier for the requested services
 2. Reason for Selection:

Identify the specifications and qualifications of the selected supplier.
5. The *Exclusive Acquisition Justification Form* ([Form 4-24](#)) needs to be completed by the primary user of the service being requested. Once complete and signed by the primary user, this form is to be forwarded to the department dean or department head for approval. The completed *Exclusive Acquisition Justification Form* ([Form 4-24](#)) must be sent to the Office of Contract Management - either electronically or hard copy.
6. A contract specialist will review and approve or deny the *Exclusive Acquisition Justification Form* ([Form 4-24](#)). If the form is approved by the Contract Management Office, the form will be forwarded to Procurement Management for further review. Upon final approval, the procurement will proceed. If the form is denied at any level, the denial will be communicated to the campus user(s) and a competitive Request for Qualification will be done by the Office of Contract Management.

Section XII. Request for Proposals

1. Standard Steps in the Request for Proposal Process

Prior to starting the process outlined below, requisitioning department (“department”) should contact the Contract Management Office (“CMO”) if they need help in determining whether their product, project or service is appropriate for the request for proposal “(RFP)” process, or if it could be accomplished with a traditional Invitation For Bid (IFB) or other purchasing process.

2. Steps

1. Department submits “RFP” Initiation Form” 4-26 to the CMO.

In order to initiate the RFP process, the CMO will need:

1. A completed and signed “RFP Initiation Form” explaining the project and funding source; and
 2. A list of any known or suggested vendors that may be able to fulfill the project requirements, including contact name, address, phone number and e-mail addresses.
2. Department and CMO identify key stakeholder(s) and subject matter experts (SME’s). Once these key team members have been identified, the CMO will arrange a proposal “kick off meeting” to help establish key roles, responsibilities and timelines to complete the remaining steps in the process.
 3. Key stakeholder(s) and SME’s define project needs such as, but not limited to:
 1. Scope of work (SOW)
 2. Specifications
 3. RFP and overall project schedule
 4. Deliverables
 5. Pricing (or revenue) structure
 6. HUB subcontracting opportunities: Any project valued (cost or revenue) at \$100,000 or more requires the submission of a HUB Subcontracting Plan (HSP) by each proposing firm in order to be considered.
 4. Create Scoring Criteria and Weights
 1. The evaluation criteria used to score proposals should consist of the criteria that accurately reflect the areas of importance to the University in its selection decision. Through the evaluation and scoring of the criteria, the University is able to assess the similarities and differences and the strengths and weaknesses of competing proposals. A well-integrated evaluation scheme provides consistency, discipline, transparency, and rationality to the source selection process, as well as a solid set of backup documentation.
 2. The key stakeholder(s) ultimately decide(s) how to weight each of the evaluation criteria categories (e.g. what percentage of the total score does each category receive in the evaluation scoring). Evaluation criteria must conform to the criteria established in Texas Education Code 51.9335(b). The following criteria must be used and any weights applied to each category must be disclosed in the RFP document. Additional “sub-criteria”, bullet points, or specific questions/requirements may be added under each, but the following must be used:
 1. The purchase price
 2. The reputation of the vendor and the vendor's goods or services

3. The quality of the vendor's goods or services
 4. The extent to which the goods or services meet the institution's needs.
 5. The vendor's past relationship with the institution
 6. The total long-term cost (or value) to the institution for acquiring the vendor's goods or services
 7. Any other relevant factor that a private business entity would consider in selecting a vendor
5. Finalizing RFP content and posting the RFP: The contract specialist assigned to the RFP will work with the department to finalize the RFP content. The contract specialist will send the RFP to vendors/proposers identified by the department; those vendors/proposers identified through research; and potential “historically underutilized businesses (HUBs)” from the State’s “Centralized Master Bidders List” (CMBL). Additionally, the contract specialist will publically advertise the RFP on the “Electronic State Business Daily (ESBD)” website for a minimum of 14 calendar days.
 6. Pre-Proposal Meeting: A pre-proposal meeting is suggested if the SOW is complicated or if it is necessary for potential proposers to physically see or examine the facilities or any activities related to the goods and/or services in the solicitation.
 1. There may be times when, due to the nature of the project, attendance by proposers will be mandatory. In those instances, only proposals from firms who attend the pre-proposal conference will be accepted.
 2. If a HUB Subcontracting Plan (HSP) is required, the HUB Coordinator will also attend and make a presentation to ensure that all interested firms understand the requirements of the HSP submittal.
 7. Evaluating the Proposals
 1. Once proposals have been received, for proposals requiring a HSP the HUB Coordinator will review the HSPs submitted. Only proposals accompanied by an acceptable HSP will be evaluated and eligible for award.
 2. When acceptable proposals have been identified, the contract specialist will arrange a kick-off meeting for the evaluation team and will distribute the following forms and instructions to the evaluation team (“Team”):
 1. Non-conflict-of-interest statement (requires signature)
 2. Non-disclosure memo (requires signature)
 3. Evaluation team instructions
 4. Evaluation briefing points
 3. When the non-conflict and the non-disclosure forms have been signed and returned to the contract specialist, the compliant proposals will be distributed to the Team along with a scoring and comment sheet.
 4. When the proposal evaluation is complete, the Team will identify finalists based on scoring/ranking and may request the contract specialist to invite them to make a presentation. If, during the presentations, additional information is gathered by the Team that would affect the scoring against

the evaluation criteria, the Team may revise their scoring. An explanation for the scoring changes must accompany the revised score sheet

5. At this time, one or multiple proposers may be invited to submit a best and final offer (BAFQ) in an attempt to improve pricing or achieve additional concessions and/or considerations. This is an optional step and does not have to be performed if the Team believes the best overall value and contract position has already been achieved.
6. If, upon review of the returned “BAFQ”s, information is received that would affect the scoring against the evaluation criteria, the Team may again revise their scoring. However, an explanation for the scoring changes **must** accompany the revised score sheet.

3. Awarding and Executing the Contract

1. Once the Team has completed its evaluation, the contract specialist will review the documentation to ensure appropriate processes have been followed in consideration of all evaluation criteria and the justification for vendor selection. The contract specialist may request additional information, or clarification from the Team if needed.
2. The vendor whose proposal has the highest final score becomes the potential awardee for the contract and the University notifies all vendors (including those not selected) of its decision.
3. The contract specialist will prepare a draft version of the agreement, including any exceptions requested by the proposer for review by both the key stakeholder and The Office of University Compliance and Legal Affairs. The key stakeholder(s) should review to ensure correctness and completeness of scope, requirements, schedule deliverables, and any other technical, operational, or business aspect of the agreement. Legal Affairs will review the entire agreement, paying particular attention to any exceptions taken to the terms, conditions, and legal aspects.
4. Once all university priorities are in agreement, the draft contract is sent to the proposer for review and input. At this point, it may be necessary to arrange a meeting to negotiate and finalize certain points of the agreement. Some issues can be resolved easily and quickly, others may take more time and input from multiple parties. Regardless, once all parties are in agreement the University’s legal representative will stamp the agreement showing approval and it can then be signed by the appropriate university representative. It is then forwarded to the proposing firm for their signature (“contract execution”).
5. The contract specialist will schedule a project kickoff meeting with the end-user/department/key stakeholders to distribute key documents, including a checklist which will serve as a guide for the department’s day-to-day administration and monitoring of the contract.

4. Other Considerations

1. It is not unusual for the RFP process to take from three (3) to six (6) months to achieve contract award and execution. Some projects have been known to take a year or more.

2. If the contract exceeds \$1,000,000 over the life of the contract, the awarded vendor must complete and return a “Form 1295: Disclosure of Interested Parties” prior to contract execution.
3. In conjunction to Form 1295, “Nepotism Disclosure Forms” must be completed by all evaluation team members for contracts exceeding \$1,000,000 over the life of the contract.
4. Once the agreement has been executed, the vendor must submit “proof of insurance” meeting or exceeding the requirements that were identified in the RFP. If workers will be on campus, the vendor must also provide a letter, signed by an authorized representative, certifying compliance with the “criminal background checks” requirements detailed in the RFP.
5. If the contract exceeds \$1,000,000, approval of the purchase is required by the UT System Board of Regents.

Section XIII. Internal Repairs

An internal repair is a repair to university-owned equipment that cannot be reasonably defined prior to the actual repair and the extent of which cannot be determined until the equipment is disassembled. Internal repairs must contain labor and may also include parts. Competitive bids are not required for an internal repair.

Section XIV. International Purchases

1. For the convenience of the University, the Office of Procurement has an agreement for Customs Brokerage & International Freight Forwarding Services with DB Schenker to clear imported shipments through U.S. Customs. If the Office of Procurement issues a purchase order, DB Schenker will be the default provider unless the requesting department designates another company. All customs broker information will be accurately stated in the purchase order. The receiving of shipments from foreign countries by a customs broker entails many miscellaneous charges, which include, but are not limited to, the following:
 1. Customs duty
 2. Merchandise processing fee
 3. Airline terminal fee
 4. Document turnover fee
 5. Customs clearance fee
 6. Bonding
 7. Messenger fee
2. Please note that customs fees are generally 'in addition' to a vendor's normal shipping fee. The Office of Procurement will state on all purchase orders a "not to exceed shipping fee" (if applicable), but cannot provide an estimate on customs broker fees, as the extent of those charges is unknown until the transaction occurs. Additionally, DB Schenker can arrange for the final delivery of the good to the University, but there is an additional charge for this service also. The requesting department can designate another provider for this service if they desire to do so. Prior to finalizing a purchase order, the requesting department will be made aware of all ancillary charges (shipping, customs fees and final delivery) and will be required to document financial acceptance and responsibility. If the

total of the customs fees or customs fees along with the final delivery charge does not exceed \$4,000, the University's ProCard can be utilized for payment.

Section XV. Independent Contractors

When acquiring services from an individual, the primary user must consult with a buyer to determine whether the nature of the service allows UTA to receive a benefit from an open market procurement; If so, then a competitive solicitation will be done by the Office of Procurement. If not, follow the instructions in *Payments for Professional Services* ([Procedure 1-19](#)).

Section XVI. Equipment Offered as Trade-in

1. If a department of the University requests the purchase of new equipment and also offers a trade-in of old equipment of the same or a similar type, the used equipment must be fully described in the requisition as to age, condition, make, model and serial number if available, and the most realistic estimate of the value of the used equipment.
2. Trade-in of old equipment cannot be applied when purchasing any new equipment on State of Texas term contracts.

Section XVII. Assessment of Supplier Performance

To assist the Office of Procurement in identifying suppliers who perform poorly, departments will notify the Office of Procurement of poor supplier performance.

1. Departments should not approve invoices until completely satisfied with the goods and/or services invoiced. After completing *Supplier Performance Form* ([Form 4-10](#)) to document their assessment of vendor performance, departments should forward the completed form to the Office of Procurement.
2. The Office of Procurement will utilize these forms in determining whether or not the University will continue to use a particular vendor.

Section XVIII. Prohibited Purchases

Payments for the following goods and services are not authorized to be paid with university funds. Purchase of these items require written approval prior written approval of the CFO and the University Attorney, and should not be processed with a purchase order.

1. Charitable donations
2. Gifts over \$100
3. Gift certificates to non-UTA employees over \$100: gift certificates for UTA employees may not be purchased regardless of the value.
4. Tours, golf tickets, sporting events, or movies, or laundry, except when acquired by the Athletics Department
5. Employee tuition
6. Employee application fees
7. Student tuition, application fees, or other student expenses
8. University parking decal fees

9. Internet provider services
10. Traffic citations

Section XIX. Exceptions to this Procedure

1. The following instructions should be followed to request an exception to these procedures:
 1. Each request must include detailed documentation as to why the exception should be granted and the benefit to the University if the exception is granted.
 2. The approval of the account administrator must be obtained.
 3. The approved request should be submitted using the Business Affairs (BA) Exception Request menu located in [UTA SharePoint](#)
2. Each request will be granted or denied based on the circumstances of the individual situation. The granting of a request does *not* alter the existing procedures.
3. Documentation will be maintained on the Office of Business Affairs and Controller on-line Policy Exceptions file.

Forms and Tools/Online Processes

- [List of UT System Supply Chain Alliance contracts](#)
- [List of Term Contracts from the Texas Procurement and Support Services \(TPASS\)](#)
- [List of TXMAS Contracts](#)
- [List of DIR Contracts](#)
- *Exclusive Acquisition Justification Form* ([Form 4-24](#))
- [Requisition Processing](#)
- [Purchase Order Payment Voucher](#)
- [Volume Purchases Information \(Standard Desktop and Laptop Models for Purchase at UT Arlington\)](#)

Appendices

None

Website Address for This Procedure

<http://www.uta.edu/policy/procedure/4-2>