GENERAL PURCHASING PROCEDURES – SERVICES OVER $5,000

Policies

All requisitions are budget checked and pre-encumbered before they are electronically received in the purchasing environment. The ordering department must take responsibility to ensure that the requisition has a realistic expenditure or cost figure on the requisition. However, the purchasing buying staff has the functionality to proceed in awarding a purchase order as long as the finalized price from the respective vendor does not exceed the following formula: 500%, but not to exceed $300 of the original requisition pricing.

Requisition Process

All requests for purchase of services over $5,000 must be submitted to the Purchasing Office on a Departmental Requisition (REQ) using the PeopleSoft (PS) Web Requisition System.

Processing a basic purchase requisition involves five steps:

1. First, the requester enters the requisition, specifying the vendor, items to be purchased, and so on.

2. Next, the requester must edit check and budget check the requisition to ensure that the Project ID specified on the requisition has sufficient funds to cover the purchase.

3. If the requisition passes budget check, the requester must then notify one or more persons to approve the requisition.

4. These approvers, known as the Project Manager and Administrator, may either approve or deny the requester’s purchase requisition.

5. Upon approval of the requisition by both Project Manager and Administrator, the status of the requisition becomes Approved, at which time the Purchasing Office will assign the requisition to a buyer and process the order.

To obtain detailed information on how to submit a PS REQ, you may view the online “Basic Web Requisition Guide”. 
In addition, PeopleSoft Web Requisition training classes are offered and are strongly recommended. Information on how to register for this class may be found at the Computing Resources web site: http://ims.uthscsa.edu/

Historically Underutilized Businesses (HUBs)

The Health Science Center is committed to the exercise of good faith effort in providing business opportunities to Historically Underutilized Businesses (HUBs), in accordance with established HUB Program good faith effort goals. More information on the HUB Program can be found at http://www.uthscsa.edu/business/hub/index.html.

State Law

Prior to procuring goods or services from a recommended vendor, we are required by state statute to verify that the vendor is in good standing with the State Comptroller. The PS Financial Procurement System takes care of this step automatically by verifying the vendor state status through an overnight interface process. When a vendor is found to be on "Vendor Hold" with the State of Texas, we are required to withhold all payments and to cease any procurement related ventures with the company. The vendor may be on hold with the State Comptroller for various reasons which may include:

- Failure to pay state sales or franchise tax
- Delinquent in child support payments
- Non-payment of fees
- Default or non-payment of Texas Guaranteed Student Loan Corporation (TGSLC) student loan

Purchase Order Splitting

Requests are processed by the Purchasing Office for the purchase of commodities regardless of the aggregate total and for services as explained herein. Departments should not break requisitions or vouchers into multiple documents, with lower estimated costs, to avoid quotation-bidding thresholds. (Reference Site: Texas Government Code 2155.132, Section G.)
Debarment and Suspension

No contract shall be made to parties listed on the General Services Administration’s List of Parties Excluded from federal procurement or non-procurement programs in accordance with Executive Orders 12549 and 12689, “Debarment and Suspension”. This list contains the names of parties debarred, suspended or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than Executive Order 12549. Contractors with awards that exceed $100,000 shall provide the required certification regarding its exclusion status and that of its principle employees.

Purchase Order Process

Services with an aggregate total cost of $5,000 or less, whether it involves parts and supplies or not, are to be contracted by the department requiring the services, with related charges to be forwarded to the Accounting Office on a voucher for payment. If a Purchase Order number is needed by the vendor prior to rendering services, contact the Purchasing Office at 567-6030 to receive a “reserved” Purchase Order number.

Requests for services over $5,000 must be submitted to the Purchasing Office on a PS REQ for solicitation of competitive bids or proprietary purchase. When the PS REQ has an aggregate total cost exceeding $5,000 but less than $25,000, informal competitive bids (which may include best value bidding) are required. An average of seven (7) to ten (10) business days are required to process these requests. When the aggregate total cost of a service request reaches or exceeds $25,000, provided the request is not proprietary, formal competitive bids will be solicited. At least twenty-five (25) calendar days are required to complete the bidding process, which is dependent upon the complexity of the bid specifications.
Processing time by the Purchasing Office:

*Processing time may vary based on complexity of specifications.*

<table>
<thead>
<tr>
<th>Total Amount of Purchase Order</th>
<th>Solicitation Process</th>
<th>*Estimated Processing Time</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repairs (services) less than $5,000 (with or without parts included)</td>
<td>Process as a voucher through the Accounting Office</td>
<td></td>
<td>If vendor requires a Purchase Order number, contact the Purchasing Office’s front desk, 567-6030, to receive a “reserved purchase order number”</td>
</tr>
<tr>
<td>$5,000.01-$25,000.00 (printing and copying requests: $0.00-$25,000)</td>
<td>3 requests for quotes from the CMBL: 1 quote each from a minority-owned business and a woman-owned business</td>
<td>7-10 business days</td>
<td>All printing and copying requests must be competitively bid regardless of dollar amount.</td>
</tr>
<tr>
<td>$25,000.01 and over</td>
<td>3 requests for bid from the CMBL: 1 bid each from a minority-owned business and a woman-owned</td>
<td>Within 25 calendar days, depending on the complexity of the bid specifications</td>
<td></td>
</tr>
</tbody>
</table>
Types of Purchases

University Contract

Services used in large quantities by the Health Science Center may be placed on University contract. Contact the Purchasing Office for current listings of service contracts. University service contracts are annually reviewed and renewed to be effective on September 1. Prior to awarding University contracts, the Purchasing Office will provide the department with a current listing of their equipment on the University contract, in addition to providing a time schedule for the departments to submit updates or modifications to the existing equipment lists.

Cooperative Purchasing: Services

This is a group purchasing program composed of the health care institutions of The University of Texas System that offers purchasing of services at the most cost-effective method of purchasing available. For more information contact the Purchasing Office.

Petty Cash

The purchase of services with an aggregate total cost not exceeding $100 per day, per account, may be made by employees with reimbursement requested from the Bursar’s Office (see the Handbook of Operating Procedures (HOP), Section 6.4.3, “Petty Cash Fund”).

Inter-departmental

Purchases of services from other departments are handled directly with those departments. The Purchasing Office does not process inter-departmental purchases.