TO: Executive Committee Members, Assistant Vice Presidents, Chairs, Directors, Department Heads, Assistants to the Deans, and Vice Presidents, Departmental Administrators, Departmental Requisitioners

FROM: Andrea M. Marks, MBA, CPA
Vice President and Chief Financial Officer

SUBJECT: Procurement Procedure Changes – Competitive Thresholds for Purchases

As a result of changes enacted by the 84th Texas Legislature, and recommendations from UT System, the competitive thresholds for purchases have been changed effective immediately. Competitive threshold means the dollar value at which either

1. competition among vendors is required for a particular purchase, or
2. a justification is required when the purchase is not or cannot be competed among vendors.

The new requirements for quotes, bids or proposals for a purchase are outlined below and summarized in Appendix 1 of this bulletin.

Key changes:

- **All Non-Federal Funds Purchases:**
  - Purchases valued under $15,000 only require one price quote from a qualified vendor.
  - The competitive threshold has been raised to $15,000. Purchases valued between $15,000 and $50,000 will require at least 3 quotes from qualified vendors, with exceptions as indicated on the matrix in Appendix 1.
  - The threshold at which formal solicitations (bids or requests for proposal) are required has been raised to $50,000.
  - Exceptions apply for procurements made using State or Group Purchasing Organization (GPO) contracts as indicated in Appendix 1.
• Federal Funds Purchases:
  o Purchases valued under $5,000 require at least one price quote from a qualified vendor.
  o Purchases valued between $5,000 and $50,000 will require at least three informal quotes, with exceptions as indicated on the matrix in Appendix 1.
  o The threshold at which formal solicitations are required has been raised to $50,000.

Note: Requisitioners may request written price quotes for service and commodities valued under $50,000 from qualified vendors if they wish. The quote (or quotes where multiple quotes are required) should be emailed to purchadmin@uthscsa.edu. The email must indicate the associated PeopleSoft requisition number.

Exclusive Acquisition Justification Form

For purchases that are being made without competition (quotes from multiple vendors) that otherwise would require competition due to the value of the purchase, an Exclusive Acquisition Justification (EAJ) Form must be submitted to the Purchasing Department. The EAJ Form should be emailed to purchadmin@uthscsa.edu once the associated PeopleSoft requisition has been processed.

There are three types of Exclusive Acquisition purchases: Proprietary and Best Value, Emergency, and Professional Services:

• Proprietary and Best Value: for procurements from the only known supplier who meets your “definition and scope,” or from the single supplier who meets the best value criteria as defined in Texas Education Code §51.9335(b).
  o In determining best value, the Institution must consider: the purchase price; the reputation of the vendor and the vendor’s goods or services; the quality of the vendor’s goods or services; the extent to which the goods or services meet the Institution’s needs; the vendor’s past relationship with the Institution; and the impact on the ability of the institution to comply with laws and rules related to historically underutilized businesses (HUBs).

• Emergency: a purchase for which delay would create hazard to life, health, safety, welfare or property, as defined by Texas Government Code §2155.086(c).

• Professional Services: designated professional services, as defined by Texas Government Code §2254.002, for which competitive bidding is not permitted.
  o “Professional Services” means services within the scope of practice of: accounting, architecture, landscape architecture, land surveying, medicine, optometry, professional engineering, real estate appraising, or professional nursing.
The EAJ Form, along with detailed instructions for completing the EAJ, can be found on the Purchasing Department’s website: http://uthscsa.edu/business/purchasing/i-index.html. Please contact the Purchasing Department if you have any questions, or need help regarding the new competitive thresholds, or in completing the EAJ form.
## Appendix 1

**UT Health Science Center San Antonio Procurement Guidelines**

<table>
<thead>
<tr>
<th>Contact Value or PO Amount</th>
<th>Informal Bid/Quote</th>
<th>Formal Bid/Proposal (Bid/RFP)</th>
<th>State Contract (DIR/TXMAS/Other)</th>
<th>GPO (Alliance/Premier)</th>
<th>Other GPO (E&amp;I, TCPN, Other)</th>
<th>Exclusive Acquisition Justification (EAJ)</th>
<th>BOR Approval Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Funding Only</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$5,000 - $50,000</td>
<td>Three (3) Quotes</td>
<td>NA</td>
<td>Three (3) Quotes</td>
<td>One (1) Quote</td>
<td>Three (3) Quotes</td>
<td>When Only One (1) Quote Received</td>
<td>NA</td>
</tr>
<tr>
<td>&lt;$15,000</td>
<td>NA</td>
<td>NA</td>
<td>One (1) Quote</td>
<td>One (1) Quote</td>
<td>One (1) Quote</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>$15,000 - $50,000</td>
<td>Three (3) Quotes</td>
<td>NA</td>
<td>Three (3) Quotes</td>
<td>One (1) Quote</td>
<td>Three (3) Quotes</td>
<td>When Only One (1) Quote Received</td>
<td>NA</td>
</tr>
<tr>
<td>$50,000 - $3M</td>
<td>NA</td>
<td>Bid/RFP</td>
<td>Three (3) Quotes</td>
<td>One (1) Quote</td>
<td>Three (3) Quotes</td>
<td>When Only One (1) Quote Received</td>
<td>When total contract value &gt; $2.5M</td>
</tr>
<tr>
<td>&gt;$3M</td>
<td>NA</td>
<td>Bid/RFP</td>
<td>Three (3) Quotes (UT System Business Office Approval Required) (BOR Approval Required)</td>
<td>Alliance – One (1) Quote</td>
<td>Three (3) Quotes (UT System Business Office Approval Required for Premier)</td>
<td>When Only One (1) Quote Received</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Quote/Proposal Notes (Specific to State Contract & GPO Purchases Other than Alliance)**

- If only two suppliers in a category, document & proceed without further justification
- If only one supplier in a category:
  - EAJ not required for Alliance, Premier, E&I, DIR, State Contracts
  - All other GPO contracts:
    - Confirm & document that valid procurement was completed, or
    - Complete EAJ
- Commodities ($15K - $50K) - Schools/Departments may obtain quotations
- Commodities (> $50K) - Purchasing obtains quotations (Schools/Departments provide specifications)
- Services ($15K - $50K) - Schools/Departments may obtain proposals
- Services (> $50K) - Purchasing obtains proposals (Schools/Departments provide SOW)

**Board of Regent Approval Notes**

- Submit to UT System Business Office (via Loretta Lloyd) for review
  - Alliance, Premier, DIR, E&I, TXMAS contracts > $3M
  - Board of Regents Approval (Consent Agenda)
    - Bid/RFP/EAJ: > $2.5M (exceptions identified in Regents Rule 10501)
    - Alliance, Premier, DIR, E&I, TXMAS Contracts: > $3M (exceptions identified in Regents Rule 10501)