Policy Statement

Classification of Funds

Two (2) basic categories of funds exist in budgets used by Purchasing to secure merchandise and services for UTD utilization. Each source of funds within the two (2) broad categories has specific rules and restrictions as to how its monies can be spent.

• Funds Held by the State Treasurer (Account Numbers 2XXXXX):

  Often referred to as "State Funds," these monies are appropriated by the State Legislature from the State Treasury and are expended in accordance with the rules and regulations of the General Services Commission (GSC) governing the purchase of goods and services.

  Unless goods are available on an existing state contract, requisitions for goods with an expected value in excess of $25,000 are forwarded for processing by the GSC as open market requisitions. Requisitions utilizing "State Funds" with an expected value less than $25,000 are processed by the U.T. Dallas Purchasing Department. All requisitions for purchase of services less than $100,000 are handled by UTD Purchasing under authority delegated by the GSC. Purchase of services more than $100,000 are subject to bidding and processing by the General Services Commission, at their option.

  Funds held by the State Treasurer are normally not carried over from one fiscal year to the next.

• Funds Held Locally

  Commonly referred to as "Local Funds," examples include gift funds, Auxiliary Enterprise funds, and contract and grant funds. Normally the purchase of items with funds held locally is processed exclusively by the UTD Purchasing Department. Use of these funds is governed by the U.T. Board of Regents' Rules and Regulations, U.T. Dallas Purchasing Rules and Regulations, and the procurement rules of the granting/contracting agency providing the funds. Certain categories of funds held locally can be carried over from one fiscal year to the next.

Purchases Through the Texas Building and Procurement Commission

If items requested are covered by a state contract, purchases must be made through
designated state contractors. Both state contractors and state contract items are listed and defined on the Texas Building and Procurement Commission World Wide Web Page at http:\www.tbpc.state.tx.us. (Reference the "Procurement" and "The CMBL" sections at this website.

All contacts involving the Texas Building and Procurement Commission should be made by the UTD Purchasing Department unless the prior written approval of UTD Purchasing authorizes direct contact by a requisitioner.

Types of state contracts or procedures include: (See http://www.tbpc.state.tx.us/stpurch/howtxbuy.html for details.)

1. Contract Purchase Order (Automated)
2. Contract Purchase Order (Non-Automated)
3. Open Market Purchase Requisition (Over $25,000)
4. Emergency Purchase Order (Any Value)
5. Spot Purchase Order (Under $25,000)
6. Purchases of information resources products and services is done using the Qualified Information Services Vendor (QISV) Catalog program.


A requisitioner prepares and forwards a purchase requisition to the Purchasing Department.

From this requisition, UTD Purchasing transmits the order with appropriate commodity codes via computer to the Texas Building and Procurement Commission. Items normally on the automated contract are those whose prices are relatively stable for the duration of the stated contract period and are listed at the TB&PC website (http://www.tbpc.state.tx.us/). The TB&PC utilizes computer processing to issue a purchase order to the vendor thus reducing ordering processing time and costs (see Exhibit E1).

2. Contract Purchase Order (Non-Automated):

UTD Purchasing prepares a contract purchase order from a purchase requisition submitted by a requisitioner and forwards copies to the Texas Building and Procurement Commission. Items affected are those whose prices change so frequently it would be impractical to place them into an automated. The TB&PC then applies a Board of Control Number (see Exhibit E2) and distributes copies of the order to the vendor and UTD Purchasing.

3. Open Market Purchase Requisition (Over $25,000):

This requisition is used when all the following conditions are established
- Total purchase price is in excess of $25,000 per commodity class.
- Items requested have not been contracted by the Texas Building and Procurement Commission.
- State funds are the fund source (although local funds can be used for purchases of state contract items at Purchasing Department discretion).
- Purchase of goods (not services).

The Texas Building and Procurement Commission receives the requisition from UTD Purchasing, sends bids to all bidders listed for the particular commodity and issues a purchase order to the lowest and best bidder.

Once the award is made, the Texas Building and Procurement Commission will issue a purchase order (see Exhibit E3) to the vendor.

The requisitioner may request review of the bids prior to placement; however, a statement to that effect must be included on the original requisition. The Texas Building and Procurement Commission is not required to transmit any bid for review; therefore, do not request review unless there is sufficient merit to the case. The requisitioner may justify the selection of other than the recommended award, based upon stated technical or functional specifications. The Texas Building and Procurement Commission will consider the justification; however, it reserves the right to challenge any justification submitted.

4. Emergency Purchase Order (Any Value):

An emergency is defined as the need of supplies and/or services by a requisitioner to the extent that if not procured immediately, serious financial or operational loss will occur. Emergencies can be caused by breakdown of essential equipment, weather damage, sudden illness, epidemics, etc.

Carelessness or negligence by a department or its employees can also cause emergencies. Such cases are subject to question, review, potential rejection of emergency handling, and possible refusal of payment by the Texas Building and Procurement Commission. Any invoice resulting from an emergency purchase payable from funds held by the State Treasurer must be approved by the Texas Building and Procurement Commission before the State Comptroller will issue a warrant for payment.

UTD Purchasing should be contacted immediately (see "Emergency Coverage" for contacts during other than normal hours of operation).

The following events will then take place dependent upon the monetary value of the purchase requisition which must be submitted to Purchasing by the requisitioner as soon as is feasible

- Up to $25,000
UTD Purchasing must attempt to secure at least three (3) competitive bids whenever possible. These bids may be obtained verbally. Included in the bidding shall be a minimum of one woman-owned and one minority-owned HUB certified businesses.

- $25,000 or more

UTD Purchasing must attempt to secure at least three (3) written bids on the prescribed bid form with proper signatures from the bidders and have Texas Building and Procurement Commission approval prior to an order being placed on a confirmation basis. The emergency purchase file, when forwarded to the Texas Building and Procurement Commission, must contain a full written explanation stating why the emergency exists and why requirements were not anticipated.

Submission of an emergency purchase request must be accompanied by a written explanation by the requisitioning department detailing the nature of the emergency. Failure to do so may cause the Texas Building and Procurement Commission to refuse approval for payment of the invoice until a detailed report is presented.

**Purchases With Funds Held Locally**

All purchases using locally held funds are administered by the UTD Purchasing Department. These purchasing procedures typically follow the State's procurement guidelines to include selection of the lowest, best value bidder through competitive verbal or written bidding.

Purchases with funds held locally include

- Petty Cash Purchases
- Purchase Order (Any Value)
- Standing Purchase Order
- Blanket Purchase Order
- Small Order System (SOS) - typically $500 or less
- Purchasing Card Program - typically $1000 or less

**Petty Cash Purchases**

The purpose of the Bursar's Petty Cash Fund is to aid in the reimbursement of supplies and/or services for UTD when it is more feasible to pay cash than issue a purchase order. Transactions between the Bursar and the requestor must be done on a **personal basis**. No Petty Cash monies may be sent through the University mail system by either party.

A requestor must use personal funds to make a purchase, with the approval of the authorized account manager, and subsequently submit the paid receipt to the Petty Cash custodian in the Bursar's Office along with a properly completed Reimbursement of Business Expense Form.
Before making the purchase "out of pocket," the requestor should obtain a Tax Exemption Certificate from the Bursar’s Office or Procurement Management for presentation to the vendor at time of purchase (the vendor keeps the certificate for his records). If this is not done, the requestor will not be reimbursed for any sales tax paid.

*Note:* If the request includes food or entertainment, it must clearly show the type and location of event, event participants and business relationship or titles, and the business purpose of the expenditure.

This Petty Cash procedure should not be abused and is strictly limited to those persons with the authority as designated by a program head.

The Petty Cash Fund is not a means of bypassing the normal purchase order system and strict adherence to the following conditions will be maintained:

1. **Limit:** Usage is intended only for small day-to-day needs. Reimbursement is limited to a maximum of $50.00 per day per account, unless approved in advance by the Director of Procurement Management.
2. **Time Limitation:** Receipts should be presented in a timely manner.
3. **Receipts:** All receipts must be
   1. Legible.
   2. Show vendor’s name.
   3. Have cash register validation, a "paid" stamp, or a vendor certification indicating paid status.
   4. All receipts presented for reimbursement must be countersigned by the authorized account manager. This can be done by signature on the Reimbursement of Business Expense Form to which the receipt is attached.
   5. Reimbursement will not be given for receipts which are lost, stolen, destroyed, or "homemade."
   6. Vendor approved invoicing, showing unit prices and extensions, is required. Packing lists will not be accepted for reimbursement.
4. **Unallowed Use:**
   1. Reimbursement will not be made for postage.
   2. Reimbursement should not be requested for office supplies that are stocked in the University Central Stores.
   3. State Funds can’t be used for requests related to food or entertainment.

**Anticipating Needs**

The average amount of time required to process a routine request from the time a purchase requisition is received and encumbered until an order is placed with a vendor is as follows:

- Orders not requiring bidding - 2-4 working days
- Orders requiring informal (telephone) bidding - 3-7 working days
- Orders requiring formal (written) bidding - 13-20 working days
- Orders requiring bidding by General Services Commission (Open Market) or orders with a value of $25,000 or more (posted to Texas Marketplace) - 30-60 days
Purchase requisitions can be processed in less time, but the special handling required to reduce the procurement cycle greatly increases the cost of processing a purchase requisition.

The requestor can assist the University in reducing purchasing procedural costs by adequately anticipating needs and placing orders well in advance of required delivery dates. The Purchasing Card should be used whenever possible to reduce the processing costs for small dollar procurements.

**Best Value Procurement**

Section 51.9335, Education Code, authorizes The University of Texas at Dallas to use "best value" procurement processes, which provide greater autonomy and flexibility in the procurement of goods and services. This policy provides guidelines for "best value" procurement.

This policy impacts all employees who participate to any extent in the procurement of goods or services, including but not limited to accumulation of information, preparation of solicitation and related procurement documentation, and selection of goods or service providers.

The University shall conduct all procurement activities in a manner that assures that each procurement for goods or services provides the "best value" to the institution. "Best value" means the optimum combination of economy and quality that is the result of fair, efficient, and practical procurement decision-making and which achieves the institution’s procurement objectives.

Each procurement of goods or services shall be made using a method that results in "best value" to the institution, including but not limited to

1. Competitive bidding
2. Competitive sealed proposals
3. Catalogue purchase [i.e., qualified information system vendor (QISV) catalogue (ref. Chapter 2157, Government Code)]
4. Group purchasing programs

and shall be awarded based on those criteria which provide "best value" to the institution. The procurement methods and selection criteria used in the solicitation of award of procurement transactions shall be determined by the institution’s Purchasing Office in accordance with all applicable federal, state and local laws, rules and regulations, the Regents’ Rules and Regulations, and best procurement practices.

All procurements shall be made in accordance with all applicable federal, state and local laws, rules and regulations, the Regents’ Rules and Regulations and best procurement practices. Subject to the approval of the U.T. System Office of Academic Affairs and Office of General Counsel, the University’s Chief Business Officer and Purchasing Office shall establish and
implement detailed procedures and guidelines for the solicitation and award of all procurements of goods and services. These procedures should serve to ensure compliance with all applicable federal, state and local laws, rules and regulations, the Regents’ Rules and Regulations, and best procurement practices.

All questions concerning this policy should be directed to the University’s Purchasing Office.

**Bid Requirements and Review**

Some purchase requisitions sent to Purchasing require use of the competitive bidding process. The total price, source of funds, and purpose of the requested merchandise will determine which bidding procedure is used.

All requisitions over $10,000 must have at least three (3) competitive bids solicited. Competitive bidding must be conducted by a Buyer (in the Purchasing Department) certified by the state of Texas to do so. At least one bid must be solicited from a minority-owned business and one from a woman-owned business certified as a HUB (Historically Underutilized Business). Dependent upon the expected dollar amount of the purchase, bids may be secured by telephone, direct mail or facsimile. Goods and services are typically awarded to the bidder offering the "best value" which consists of factors including price, quality, past performance, etc. The requisitioner may desire review of the bids as part of the evaluation team. In this case, supporting documentation from the requisitioner is required to include

1. Statement on the purchase requisition by the requisitioner of his/her desire to review all bids prior to awarding of the contract.
2. Within five (5) days of the receipt of all bids, the requisitioner must present to UTD Purchasing written justification as to why the apparent best value should not be awarded the contract. Justification must be detailed, precise and include a contract award recommendation.

All requisitions over $25,000, regardless of source of funds, are typically posted for 14-21 days in the Electronic State Business Daily which is an electronic posting tool found on the web. This posting is performed by the UTD Purchasing Department.

- **$0-10,000** No Bidding Required at Purchasing Department discretion (Reference the HUB policy.)
- **$10,001 – 24,999** 3+ Verbal Bids (Informal, Telephone Bids)
- **$25,000+** 3+ Formal Written Bids (3.09 & Return Mail Bid if sole source.)
- **Exception** Proprietary 3.09 Orders, Professional Services & Emergency Orders, Orders placed against existing group contracts

**Note:** Purchases over $25,000, regardless of funds, are typically posted as a bid opportunity at the Electronic State Business Daily Website.
Exceptions to Normal Bidding Procedures

The Purchasing Department will follow existing bid guidelines at all times unless one of the following conditions exists

• **Emergency Purchase**: If an emergency exists and the following normal procedures would be injurious to the University, the requisitioner shall provide the following:
  ◦ State the reason for the emergency purchase by explaining what the emergency is and/or what caused the emergency situation.
  ◦ State the financial loss or operational damage that will occur if needs are not satisfied immediately.
  ◦ State why the needs were or could not be anticipated.

• **Sole Source or Proprietary Justification**: When equipment, supplies or services are available from only one supplier or manufacturer thereby negating the opportunity for competitive bidding, the requisitioner shall provide an explanation of the need for the proprietary specification and/or condition of purchase. This may be satisfied by completing the form entitled Justification of Sole Source Purchases Questionnaire (Exhibit E4). List the unique characteristic of the product/service and explain why competing products/suppliers are not satisfactory.

Protest Procedure

**Purpose**: The Vendor Protest Procedure is intended to afford an opportunity to appeal to persons or firms not awarded a purchase order or contract in a competitive invitation to bid or request for proposal solicitation. It is not available to non-responsive or non-timely proposers/bidders or when all proposals/bids are rejected.

**Appeal Procedure**: An unsuccessful proposer/bidder, as defined above, believing that a purchase order or contract awarded to another proposer/bidder should legally have been awarded to such unsuccessful proposer/bidder may appeal such award in writing not later than 10 working days after the date of purchase order or contract. The appeal will be reviewed as follows

- If the protest is not resolved by mutual agreement, the Director of Procurement Management will issue a written determination on the protest.
  - If the Director of Procurement Management determines that no violation of rules or statutes has occurred, he/she shall so inform the protesting party and other interested parties by letter which sets forth the reasons for the determination.
  - If the Director of Procurement Management determines that a violation of the rules or statutes has occurred, he/she shall so inform the protesting party and other interested parties by letter which sets forth the reasons for the determination and the appropriate remedial action.
The determination by the Director of Procurement Management on a protest may be appealed by the protesting party to the Chief Business Officer (Vice President for Business Affairs). An appeal of the Director of Procurement Management’s determination must be in writing and must be received in the Office of the Vice President for Business Affairs no later than 10 working days after the date of the Director of Procurement Management’s determination. The appeal shall be limited to review of the Director of Procurement Management’s determination.

The decision issued by the Vice President for Business Affairs shall be considered the final administrative action.

**Dispute Resolution**

**Dispute Resolution:** To the extent that Chapter 2260, Texas Government Code, is applicable to this contract and is not preempted by other applicable law, the dispute resolution process provided for in Chapter 2260 and the related rules adopted by the Texas Attorney General pursuant to Chapter 2260, shall be used by The University of Texas at Dallas (UTD) and CONTRACTOR to attempt to resolve any claim for breach of contract made by CONTRACTOR that cannot be resolved in the ordinary course of business. The Chief Business Officer of UTD shall examine CONTRACTOR’S claim and any counterclaim and negotiate with CONTRACTOR in an effort to resolve such claims. The parties hereto specifically agree that (i) neither the occurrence of an event giving rise to a breach of contract claim nor the pendency of a claim constitute grounds for the suspension of performance by CONTRACTOR; (ii) neither the issuance of this Contract by UTD nor any other conduct, action or inaction of any representative of UTD’s relating to this Contract constitutes or is intended to constitute a waiver of UTD’s of the state’s sovereign immunity to suit; and (iii) UTD has not waived its right to seek redress in the courts.

**Exclusions of General Services Commission Act of 1979**

Under provisions of the General Services Commission Act of 1979 and without regard to source of funds, the following may be purchased at the University level without the approval of the General Services Commission within the certain monetary limitations:

1. Supplies, materials, services and equipment for resale.
2. Supplies, materials, services and equipment for Auxiliary Enterprises.
3. Supplies, materials, services and equipment purchases with gifts or grants other than federal grants.
4. Supplies, materials, services and equipment for organized activities relating to an instructional department.
5. Supplies, materials, services and equipment for the University library.

**Expediting Procedures**

**State Contracts:** Accurate records of purchase order delivery dates are maintained and continually updated by the Purchasing Department. If merchandise is not received within thirty (30) days from the date the purchase order was written (unless otherwise stated on the
purchase order) by the General Services Commission, a "delinquent delivery notice" is sent by Purchasing to both the vendor and General Services Commission. A second "delinquent delivery notice" is mailed to the vendor and General Services Commission if merchandise is not received within fifteen (15) days from the date the first notice was issued. Upon receipt of this second notice, the General Services Commission will verbally contact the vendor demanding prompt action.

If satisfaction is not received, the General Services Commission may take measures to purchase the merchandise elsewhere, with any price differences and handling costs charged to the defaulting vendor.

Only the General Services Commission has the authority to cancel purchase orders issued by the Commission.

**State Funded Orders (not State Contract):** These orders are expedited as described for Purchase Orders - Local.

**Purchase Orders - Local:** Accurate records of purchase order delivery dates are maintained and continually updated by the Purchasing Department. If merchandise is not received within a reasonable time after the stated due date, the requisitioner may contact the Expediter (Ext. 2300) and request current status of the order. The Expediter is responsible for following up on all orders placed to ensure goods and services are delivered as and when ordered.

**Fiscal Year-End Orders**

Historically, the Purchasing Department experiences a peak period of activity near the end of each fiscal year due primarily to a general requisitioner practice of waiting until the end of a fiscal year to submit final purchase requests for goods and services. Due to the increased workload in the latter months of any fiscal year, Purchasing may require more than the normal two (2) to sixty (60) day cycle to handle purchase requisitions during this period.

Requisitions submitted during this late period can be for the expenditure of appropriations either from the current or subsequent fiscal year and the following instructions must be followed to ensure proper processing.

1. **For Current Fiscal Year Appropriations:** It takes thirty (30) to sixty (60) days to process an open market requisition through the General Services Commission under routine circumstances. Therefore, with the increased workload near the end of the fiscal year, requisitions to be paid from current year appropriations must be received by Purchasing no later than the middle of June. The exact deadline is established each Spring by the Director of Procurement Management in conjunction with the General Services Commission.

   If such requisitions are not received on or before the deadline, Purchasing may not have sufficient time to process the order through the General Services Commission. If this is the case, the requisition may be returned to the requisitioner, who will have to resubmit the request as a "next fiscal year" requisition. This action will necessitate
payment of the requested items from the subsequent year's appropriations.

2. **For Subsequent Fiscal Year Appropriations:** Requisitions may have to be submitted prior to the end of a fiscal year for purchases which are to be paid from the subsequent fiscal year's funds due to a long lead time and the necessity of having the merchandise available at the beginning of the school year. If this is the case, the requisition must be marked above the "Delivery Date Required" with the annotation "*For Delivery and Invoicing After September 1,*" (see Exhibit E12). Purchase requisitions for classroom materials should be submitted at least two (2) months prior to the date they will be needed.

**Special Provisions for Grants & Contracts Purchases**

The purchase of any equipment or services with funds provided by grants and contracts must be approved by an authorized signer as defined by the U.T. Dallas signature authority system. Approvals for such purchases should be obtained by the requisitioner and accompany the purchase requisition to Purchasing.

If items being requested are for a grant or contract within the final ninety (90) days from the termination date and other items in the last forty-five (45) days from the termination date, the requisitioner must include the following statement in the "Description" portion of the requisition:

"This grant/contract expires on (date)."

The requisitioner must also complete the "Emergency Purchase Justification for Terminal/Grant Awards" form and forward it with the requisition to Purchasing.

**Purchases with Federal Funds**

**General Information:** All purchases with federal funds must comply with federal guidelines and university policy as stated herein. All requisitions using federal funds are sent to the UTD Contracts and Grants Accounting Office for review and approval before being forwarded to Procurement Management for processing. The Principal Investigator is responsible for proper use of federal funds.

**Guidelines:** All purchases with federal funds will follow Best Value Procurement procedures and competitive bidding guidelines when applicable. Buyers will be guided by OMB Circular A-110 and A-102 Common Rule. This circulars can be found at the following web sites: [http://www.whitehouse.gov/omb/circulars/a110/a110.html](http://www.whitehouse.gov/omb/circulars/a110/a110.html) and [http://www.sao.state.tx.us/Resources/federal/fedadmin.cfm](http://www.sao.state.tx.us/Resources/federal/fedadmin.cfm)

**For purchases expected to equal or exceed $25,000, the buyers will:**

1. include in the bid package the Federal Suspension and Debarment Certification as referenced in Exhibit E39
2. prior to award, the buyer will verify vendor status via the List of Parties Excluded from
Federal Procurement and Non-procurement web site; [http://www.epls.gov](http://www.epls.gov). A verified copy will be kept with the vendor payment file.

3. If vendor has been suspended and/or debarred from doing business with the federal government, the buyer may award to the next vendor in accordance with Best Value Procurement.

4. The buyer will place the Assurances/Subrecipient Clause on the Purchase Order. The clause states that "By acceptance of this Agreement/Purchase Order, the Subrecipient hereby certifies the following: Subrecipient is not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency."

### Capital Equipment Review for Federal Grants and Contracts Purchases

The University of Texas at Dallas is hereby issuing this policy to comply with federal guidelines.

The U.T. Dallas policy on acquisition of permanent equipment from research awards is established to provide for the screening of equipment availability on a program, center, school or University-wide basis, as applicable. It is expected that every effort will be made to share equipment. We hope that the shared usage program will promote the availability of equipment across the campus so as to comply with federal equipment management standards and will increase the total funds available for other categories of expenditures in research accounts.

To this end, U.T. Dallas has established screening procedures for equipment with an acquisition cost in excess of $5,000.

1. **Equipment with an Acquisition Cost in Excess of $5,000:** Requisitions for equipment with an acquisition cost in excess of $5,000 shall be accompanied by a certificate signed by the University Property Administrator:
   1. If the equipment is not available, the Property Administrator will so indicate (see Exhibit E29) and will forward the requisition for action.
   2. If the Property Administrator determines that what appears to be similar equipment is owned by U.T. Dallas, he will so indicate and will return the requisition to the originating department at which time the originating department will contact the custodian(s) of the equipment to determine whether or not it is similar and available for shared usage. If it is not, the responsible official in the area in which the equipment is located will certify that it is not similar or not available for shared usage.
   3. Some federal agencies have adopted a policy that states that any proposal requesting funds for purchase of any item of capital equipment costing in excess of $5,000 must be accompanied by a certification that the equipment is not available for use on the campus. In such cases, the certification statement should be included as part of the budget justification in the proposal document.

2. On contracts with the Office of Naval Research where purchases of Automatic Data Processing Equipment in excess of $25,000 are required, DOD form 1851 must be completed. Contact the Purchasing Office, the Property Administration Office or the Office of Research and Sponsored Projects for details.
3. On contracts with the National Aeronautics and Space Administration and Department of Defense agencies, consent of the Contracting Officer must be obtained prior to signing an agreement for shared usage. Contacts with Contracting Officers in this regard should be made through the Office of Research and Sponsored Projects.
4. A flow chart depicting the various steps to be followed for each category of equipment is included as Exhibit E14 of this Section

Repair of Equipment

Repair of Equipment on Campus

If equipment is in need of repair and repair can be made on campus, call the Purchasing Office (Ext. 2300). The following information is required before an order can be issued for equipment repair:

1. Make, model and serial number of the equipment.
2. The UTD Property Inventory number.
3. The room number where the equipment is located.
4. The hourly rate for labor. Firm pricing is required. A total dollar amount not to be exceeded for the repair.
5. A requisition and account number.

A verbal purchase order may be issued but a purchase requisition must immediately be forwarded to the Purchasing Office.

Repair of Equipment off Campus:

If equipment in need of repair must be shipped or taken off campus to be repaired, call the Purchasing Office (Ext. 2300). The following information is required before an order can be issued for equipment repair:

1. Make, model and serial number of the equipment.
2. The UTD Property Inventory number.
3. The hourly rate for labor. Firm pricing is required. A total dollar amount not to be exceeded for the repair.
4. A requisition and account number.
5. Identify the type of repair: warranty, upgrade, calibration, overhaul, etc.
6. Identify who is to be responsible for the freight charges.
7. Equipment must be taken to the Receiving Office for the preparation of a Packing List. The Receiving Department will then ship the equipment to the vendor or the requisitioner may hand carry the equipment to a local vendor following the above procedure.
A verbal Purchase Order may be issued before the equipment leaves the campus, but a Purchase Requisition must immediately be forwarded to the Purchasing Department.

**State Specifications on Items to be Purchased**

State specification for regularly purchased items or special commodities are compiled by the General Services Commission. Use of these specifications establishes minimum quality standards for merchandise utilized in the entire State of Texas and is not meant to exclude bids offering higher quality or requests for other specifications.

Items covered by the General Services Commission are listed online at the General Services Commission's website: [http://www.gsc.state.tx.us](http://www.gsc.state.tx.us).

**Unauthorized Transportation Charges**

When a purchase order states that the shipment is "F.O.B. Destination" and the shipper erroneously charges the shipment "transportation charges collect" or F.O.B shipping point, prepay and add, the Purchasing Department will take action with the Accounts Payable to ensure that the transportation charges are deducted from the invoice at the time of payment.

**Warranties**

It is the responsibility of the department having custody of warranted merchandise to ensure UTD realizes the full benefits of manufacturer’s warranties. Each department should maintain records on all warranted items to include item description, manufacturer's serial number, UTD property tag number, warranty period and a copy of the warranty agreement.

Periodic review of these records by the user department will identify those items whose warranty has expired and identify items not meeting specifications.

When merchandise is received, it should be checked immediately by the user for defects since the warranty period on an item normally begins at the time of receipt and not when it starts functional use.

If an item is not thoroughly checked upon receipt by the user or properly maintained during the warranty period, the manufacturer may be relieved of all responsibility and UTD will have to bear the burden of any repair costs.

**Disposal of Excess/Surplus/Obsolete Property**

Whenever an item of property becomes excess to the needs of a program, center or department, the program, center or department (hereafter area) responsible for that item will complete an "Interdepartmental Transfer/Release of Equipment" form (see Exhibit E26), which can be obtained from the Property Administration Office. This form when completed must be signed by the Area Head and forwarded to the Property Administration Office. The property
referenced should not be moved from the location shown on this request until the "Interdepartmental Transfer/Release of Equipment" form has been completed and the Physical Plant Department has received a written work request to have the item of property picked up and transported to a temporary storage site, pending future disposition.

Upon receipt of the completed "Interdepartmental Transfer/Release of Equipment" form, the Property Administrator will review the form for completeness and accuracy of inventory data. The Property Administrator will contact the requesting area for additional information, if necessary. At this time the released equipment will be considered surplus property and will be available for recirculation and/or sale. After completion of the sale procedure or the determination that the item is not available for transfer to another area due to age or condition, the Property Administrator will complete and forward a General Services Commission Form PA-3 Property Deletion Request to the Office of the Senior Vice President for Business Affairs for approval.

When the UTD Property Manager approves the request, he will sign the form(s) and return them to the Property Administration Office. If the Property Manager does not approve the request, he will return the form unsigned to the Property Administrator, explaining his disapproval. The Property Administrator will notify the Area Head of the decision.

Acquisition of Excess Property

General

"Excess property" includes all types of equipment and materials, new or used, which are owned by a federal or state agency, but are no longer needed by that agency and still have useful life.

The acquisition of such property from an agency of the state or federal government or the Texas Surplus Property Agency is not a purchasing transaction in a true legal sense. Such property is not sold to the University, but instead title is passed to UTD at the discretion of the federal or state agency only after UTD has fulfilled stringent requirements in the use of the excess property. In some cases where a physical sale of excess property is involved, transfer of title is based upon an agreed sales price between UTD and the state or federal agency providing the property.

Due to the legal nature and complexity of transactions involving the procurement of excess property, no UTD employee will be permitted to contact any outside agency for the purpose of acquiring excess property without approval of the Property Administrator (Ext. 2150). If the excess property is to be used on a grant or contract, written concurrence of the contract or grant officer of the sponsoring agency is required.

The following briefly outlines policies and procedures associated with the acquisition, care and accountability of excess property. If there are any questions, contact the Property Administrator (Ext. 2150).

Exceptions and Limitations for Grants and Contracts
1. Orders for excess property must be placed within the duration of the grant or contract time limit. Such orders must be limited to equipment justified under the grant or contract.

2. Excess property may not be acquired under institutional grants for science conference grants (symposia, meetings, etc.) or travel grants.

3. Excess property must be used only on the specific grant or contract for which it was acquired until termination of the grant or contract, at which time the property must be either
   1. Used to support science teaching or research for the remainder of its useful life, or,
   2. If the federal or state agency elects to retain title, return the property to that agency. Contact the Property Administrator (Ext. 2150) for details.

Ordering Procedures

The Property Administrator maintains a catalog of available excess property and periodically routes this list to a selected distribution. However, anyone not on the distribution list may contact him/her in the Property Administration Office to determine excess property availability.

The Property Administrator will then take necessary actions to procure the desired item(s). If an item is no longer available or for some reason the request cannot be fulfilled, the Property Administrator will notify the requisitioner of that fact.

All associated charges (packing, crating, handling, transportation, etc.), including the cost of the item(s), are normally borne by the applicable account, grant or contract.

Receiving Procedure

Every piece of excess property consigned to UTD must be processed through Receiving. It will be the joint responsibility of Receiving and the requisitioner to ensure that all receiving and inventory documents are properly executed and that the Property Administrator is furnished such proper documentation. The Property Administrator will then inspect, identify, tag and note the location of the equipment for property inventory control purposes.

Lease/Rental of Equipment and Machinery

Use of Funds Held by the State Treasurer
Lease/rental items are competitive and are treated as such by the General Services Commission. Lease/rental orders are not automatically renewed at the end of the lease/rental period or the end of the fiscal year; therefore, it is imperative that requests for lease/rental items be promptly submitted. Therefore, the requisitioner should forward a properly completed purchase requisition (see "Preparation of a Purchase Requisition") to Purchasing at least 4 to 8 weeks before it is desired to have the lease/rental begin and include the following in the Description portion

1. Complete description of the equipment or machinery.
2. Period the rental/lease is to cover (include start and end dates).

Without the proper approvals, the State Comptroller is not authorized to issue checks or warrants for payment. **Do not accept any equipment or machinery from a vendor under a rental agreement until you are notified by UTD Purchasing that an agreement has been approved.**

After receiving a requisitioner's purchase requisition, Purchasing prepares either an Open Market or Contract Purchase Requisition and forwards it to the General Services Commission for processing.

Once approved by the General Services Commission, they solicit a minimum of three (3) written bids, awarding the contract to the lowest and best bidder. UTD Purchasing is then notified of a contract agreement and forwards copies of appropriate purchase orders and rental/lease contracts to the requisitioner.

**Use of Funds Held Locally**

The requisitioner must submit a properly completed purchase requisition to Purchasing (see "Preparation of a Purchase Requisition") and include the following information in the Description portion

1. Complete description of the lease/rental items.
2. Period lease/rental is to cover (include start and end dates).

Purchasing will then request a minimum of three (3) written bids and then select the lowest, best value bidder.

*The requisitioner must not accept any leased/rental equipment or machinery from a vendor until a purchase order has been written.*

**Lease/Rental of Space**

Space leases or rentals involve the leasing of building space in structures not owned by the
University. Such lease agreements must be approved in advance by The University of Texas System Administration officials, and by the General Services Commission, if funds held by the State Treasurer are used.

A proposal to lease space must be submitted through Purchasing by completing a properly completed purchase requisition (see "Preparation of a Purchase Requisition") which must include

- Type of space.
- Purpose of its use.
- Number of square feet needed.
- Location (approximate geographical area).
- Whether janitor service and utilities are to be furnished by the lessor.
- Period of lease.
- Any other specific requirements.

Purchasing will prepare and forward a space lease proposal to U.T. System Administration for approval. Subsequent ratification is required by the Board of Regents.

Either the General Services Commission or UTD Purchasing (depending upon funds used) is notified of the approval to lease/rent and solicits a minimum of three (3) written bids, selecting the lowest and best bidder. The General Services Commission or UTD Purchasing will prepare a lease contract which is forwarded to U.T. System Administration for signature. UTD Purchasing is then notified of the ratification and in turn notifies the requisitioner.

**Vending Services**

Vending Service Agreements may only be authorized with the written approval of the Senior Vice President for Business Affairs. No UTD employee may enter into a vending service contract of any type on behalf of UTD. All vending services contracts are to be awarded in accordance with U.T. System Business Procedure Memorandum No. 4-09-87 (also available online at [www.utsystem.edu/BPM/04.htm](http://www.utsystem.edu/BPM/04.htm)).

**Purchases for Auxiliary Enterprises**

Auxiliary Enterprises are those which are generally self-supporting and operate primarily to service UTD employees and students. Examples include the bookstore, food services and the student union. They may include any activity which is supported by fees or monies collected, such as student activity fees.

The Purchasing Department has developed approved delegated purchasing procedures for Auxiliary Enterprises to support operational activity. The delegated purchasing authority does not include normal departmental operating expenditures or capital equipment acquisition.
Purchases from Texas Department of Criminal Justice

The General Services Commission may enter into contracts with the Texas Department of Criminal Justice for the purchase of supplies, materials and equipment produced by the latter for use by other State institutions. When such contracts have been made, potential user institutions will be notified and purchase orders will be placed in the same manner as other automated or non-automated contract orders by the General Services Commission when funds are held by the State Treasurer or federal grants are used.

Purchases from UTD Employees

Purchases are not permitted from any officer or employee in the U.T. System unless the following conditions are satisfied

1. Cost is less than from any other source.
2. Approval of the purchase is secured from the Board of Regents via the U.T. Dallas Senior Vice President for Business Affairs.

Sealed bid purchases of equipment or property by employees may be made only after authorization by the Chief Administrative Officer and the appropriate Executive Vice Chancellor. Details of such transactions shall be reported in the Docket or Minutes of the Board. Approval and reporting are not required for purchases made at public auction.

Due to the complexity of this type of purchase, the Procurement Management Department should be contacted (Ext. 2300) for details.

Purchase of Fuels

Purchases of any fuels must be requested through the Purchasing Department on a properly completed Purchase Requisition (see "Preparation of a Purchase Requisition"). Purchases of butane, propane and similar fuels may be processed locally or through the General Services Commission, depending upon the source of funds. Annual contracts for gasoline, diesel fuel and kerosene must also be processed and approved through the General Services Commission or placed locally and contract approval must be given prior to the contract becoming effective.

It is imperative that the requisitioner provide adequate lead time for Purchasing and the General Services Commission to secure the desired fuels.

The use of UTD oil company credit cards by authorized UTD personnel on official University business constitutes compliance with the above procedures.

Natural gas or electrical power contracts are not subject to the above conditions since they are considered services.
Due to the complexity of this type of purchase, the Procurement Management Department should be contacted (Ext. 2300) for details.

**Purchase of U.S. Government Documents & Publications**

This type of purchase is handled via a deposit account which has been established with the Superintendent of Documents, U.S. Government Printing Office.

The requisitioner should submit a properly completed Purchase Requisition to the Purchasing Department and include in the Description section

- Title of the document/publication
- Author of issuing agency
- U. S. Government document/publication reference number

The Purchasing Department will issue a purchase order to the agency and the agency will ship the materials to Central Receiving.

Payment is based upon a purchase order and the delivery document. The two, when matched, will be presented to the Accounts Payable Department, who will then debit the requisitioning department's fund and credit the deposit account accordingly.

**Purchase of Printed Materials**

Items included in the category of printed materials are

- Periodicals (magazines, newspapers, etc.)
- Reprints
- Books
- Microfilm Publications (microfilm, microfiche, etc.)

The Library is delegated the authority to purchase any of the above materials only if they are to be cataloged by and retained in the Library. Any purchase request sent to the Library for the above materials, which are to be permanently retained by individuals or departments, will be returned to the requisitioner for proper processing through the Purchasing Office.

**Purchases of Items from Overseas**

Shipments from overseas occur infrequently; however, when they do, exacting coordination is required among the Purchasing Department, requisitioner and Customhouse Broker to ensure no unnecessary costs are incurred due to improper handling of the complex paperwork.
Air Shipments

Paperwork normally arrives attached to the air waybill which is non-negotiable. The Customhouse Broker (agent acting for UTD) can clear these shipments immediately if the invoice is in English showing a unit value, packing list if there is more than one carton, and a Special Custom Invoice (SCI) if the total shipment value is in excess of $500.

It is vital that on the UTD Purchase Order, the Customhouse Broker's name and license number (currently using Sekin and Company, license #75-1305566-00; contact is Sam Cervantes 214-456-4201) be clearly stated so the overseas vendor can include these items on the waybill. If this is not done, the shipment may be placed in storage after clearing customs until proper personnel are notified. A minimum of one month's storage charges may assessed and charged against the requisitioner's purchase order.

Ocean Cargo

Ocean bills of lading are negotiable and the holder of the original properly-endorsed bill of lading, in the eyes of the steamship line, is the owner of the merchandise. In this case, the "owner" would be the Customhouse Broker acting in place of the requisitioner. It is the responsibility of both the requisitioner and Purchasing Department to ensure the Customhouse Broker receives all necessary paperwork in sufficient time to prevent storage charges being incurred.

A brief explanation of the origin and flow of ocean cargo bill of lading is necessary to explain how critical the timeliness of the paperwork processing is

1. The bill of lading is originated in the foreign country port of origin when the cargo is loaded onto the ship.
2. Copies are mailed to UTD Purchasing for distribution of the original to the Customhouse Broker. The requisitioner is advised of the status of the delivery at this time.
3. The Customhouse Broker must forward the original bill of lading to its office at the port of entry.
4. Once the ship arrives in port, five days maximum are available by law to consign the cargo to the Customhouse Broker before it is placed in storage by U.S. Customs.
   1. Customs takes one (1) to two (2) days to inspect and pass the cargo.
   2. This leaves only three (3) days for the Customhouse Broker to endorse the bill of lading.
   3. Once the bill of lading is endorsed, it is turned over the steamship line who, in turn, issues a Carriers Release.
   4. The Carriers Release secures the release of cargo from U.S. Customs.
5. The cargo is then forwarded to UTD by the Customhouse Broker.

The requisitioner, on the purchase requisition, must state that the shipment will be from overseas and should periodically check with the Purchasing Department to ensure all paperwork is being processed in a timely and proper manner.
Purchasing must ensure the name of the Customhouse Broker is on the purchase order being forwarded to the foreign vendor.

With Purchasing and the requisitioner working together, a system of internal checks and balances is created to ensure the shipment will not incur any unusual costly delays.

**Purchase of Memberships to Professional Organizations**

Fees to professional organizations are paid from the requisitioner's account and do not require submission of a purchase requisition to the Purchasing Department.

Payment is made by completing a Purchase Voucher with appropriate approvals, including the approval of the President or his designee. All memberships must be made in the name of The University of Texas at Dallas with the participant(s) named as representative(s) and show date of membership.

As required by the current General Appropriations Act, each voucher must state the benefit of the membership as it relates to our agency’s statutory duties. This information should be placed on the voucher by the requisitioner.

**Purchase of Office Supplies**

Office supplies are normally procured by properly completing a Central Stores Requisition (see [Exhibit E17](#)) and either mailing or hand carrying it to Central Stores. Receipt of requested supplies is through the University mail unless the order is too large for this mode of conveyance. In this case, supplies will be delivered to the requestor.

**For Out-of-Stock Supplies**

If an item is requested from Central Stores but is out of stock, Central Stores personnel will forward a Back Order Requisition to the requisitioner with a properly annotated copy of his supply requisition. This will inform the requisitioner that requested supplies were not available. Concurrently, Central Stores personnel will prepare a Purchase Requisition for the out-of-stock items and forward it to Purchasing for processing. When supplies are received, the requested amount will then be sent to the requisitioner to fulfill the back order requirements.

**For Items Not Normally Stocked**

If Central Stores receives a Supply Requisition for items not normally stocked, Stores personnel will notify the requisitioner of this situation. To procure these items, Central Stores will prepare a properly completed Purchase Requisition and forward it to the Purchasing Department for processing. Upon receipt of the materials, Central Stores will deliver and charge the merchandise to the requisitioner.
Purchase of Physical Plant Goods and Services

Purchase requisitions for goods and/or services from any source outside UTD which are intended to either alter the Physical Plant or be attached to any campus structure must be accompanied by written approval of the Director of Physical Plant or his/her designated alternate. Purchasing will not process the requisition unless this written justification accompanies the purchase requisition (see "Preparation of a Purchase Requisition").

Examples of goods and services in this category include

- chalkboards
- drapes
- air conditioning
- carpet cleaning
- painting

Purchase of Printing Services

Printing services may be requested by properly completing a Reproduction Request (see Exhibit E13) and forwarding it with original documents or examples of work to be done to the Print Shop (Ext. 2264).

If the Supervisor of the Print Shop determines the requested job is beyond the capabilities of UTD facilities, he/she will prepare a properly completed purchase requisition for the job and forward it to the Purchasing Department. Purchasing will then take bids and award the job to the lowest and best bidder.

When it is necessary to contract the job to an outside vendor, the Print Shop will include any expenses it has incurred against the job in a charge back to the requisitioner’s account.

Purchase requisitions for printing services will not be processed by the Purchasing Department unless approved by the Supervisor of the Print Shop.

Purchase of Subscriptions

The State of Texas Attorney General has ruled that subscriptions for newspapers, magazines and other periodicals constitutes a service. All subscription requests should be submitted to the Accounts Payable Office on a Purchase Voucher and not through the Purchasing Department.

The description section of the Purchase Voucher must include

1. Effective date of the subscription.
2. If the request is a renewal or for a new subscription, and
3. If the request is for renewal, provide the existing subscription expiration date in lieu of number 1, above.
A completed subscription blank should be attached to the Purchase Voucher. If a blank is unavailable, the following must be included on an attached memorandum addressed to the publication's circulation department:

1. Requestor's name
2. Desired delivery address
3. Effective date of the subscription
4. Length of subscription term.

**Purchase of Used or Demonstrator Equipment**

This type of purchase is discouraged; however, if it becomes necessary to acquire used or demonstrator equipment due to lack of funds, lease-option-to-buy agreement, etc., consideration will be given only if the following supporting evidence is submitted to Purchasing along with a properly completed purchase requisition (see "Preparation of a Purchase Requisition"):

1. The purchase requisition must state that it is used equipment.
2. Letter signed by the appropriate administrative head stating why it is necessary to purchase used equipment and the approximate cost of like new equipment. An opinion should also be included as to the condition and value of the used equipment from personal observation.
3. Letters from at least two (2) disinterested parties who are familiar with the used piece of equipment, giving their opinions as to the equipment's current monetary value and relative condition.

The Purchasing Department will secure, when applicable:

1. A minimum of three (3) alternate bids for like used equipment.
2. A letter from each bidder guaranteeing the quality and condition of the bid equipment.

Under no circumstances may used or demonstrator equipment be accepted in partial or complete fulfillment of a purchase order for new equipment.

**Rental/Purchase of Computers and Other IR Services**

Procedures outlined in this sub-topic apply to the rental, purchase or renewal of existing contracts for:

1. New computer and computer-related equipment.
2. New computer and comp