

# University of North Texas Health Science Center

## PURCHASING HANDBOOK

### ► BEGINNING THE PURCHASING PROCESS

We encourage users to begin a purchase by evaluating what you want to purchase and how you should buy it. There may be state or institutional contracts in place which will save you time. Some types of purchases require special handling or additional approvals. The information in this handbook will help you decide how to proceed.

Situations will undoubtedly arise that are not fully covered by these procedures. If uncertain, please contact Purchasing for additional assistance.

### CONTACT INFORMATION for BSC PURCHASING

**Location:** University Services Building (USB)  
Denton, TX 76107-2699

**Dept Phone:** (855) 868-4357  
**Dept Fax:** (940) 565-4516

**ePro HelpDesk:** (855) 868-4357  
**Dept email:** [purchasing@untsystem.edu](mailto:purchasing@untsystem.edu)

**Internet Website:** <http://bsc.untsystem.edu/purchasing>

*-- May 15, 2012*

## PURCHASING EXECUTIVE SUMMARY

**Products/Services provided by other HSC Departments:** Use service departments for products/services that they provide; i.e., mail services, pharmaceuticals, printing, telephone and cellular services, etc. Charges handled with Interdepartmental Transfers (IDT).

**Purchasing Card:** Use for items under Cardholder’s Single Purchase Limit unless restricted; i.e., airlines, animals, awards, hotels, consulting/professional services, postage, radioactive materials, and restaurants.

### Stages of the Purchasing Process

1. **DEPARTMENT** gathers pertinent information relating to the product or service needed. If assistance is needed during this planning process, please contact Purchasing at (855) 868-4357 and visit our website at <http://bsc.untsystem.edu/purchasing>.
2. **DEPARTMENT** completes an ePro requisition in EIS, submits for approval, and sends attachments including specifications and justifications electronically or by hard copy with Transmittal Form. Preparation of specifications (a detailed description of the product or service a user seeks to procure and that a vendor must supply if awarded a contract) is the responsibility of the department. If requested, Purchasing will assist the department in developing specifications.

All purchases generally are made on a competitive bid basis. A Proprietary Justification must be submitted by the department when the estimated cost exceeds \$5,000 and specifications limit consideration to one manufacturer, one product, or one service provider.

3. Requisition is routed to **Purchasing** for review and subsequent processing. Please see the following table:

All Funds: Total Amount	Procurement Method	Requirements	Estimated Processing Time *
All Dollar Limits	State Contract	Department specifies contract from Texas Comptroller of Public Accounts (CPA), Department of Information Resources (DIR), etc.	2-5 business days
\$0 - \$5,000.00	One Verbal Bid	Department selects best value.	2-5 business days
\$5,000.01 - \$25,000.00	Informal Bid	Purchasing solicits at least 3 informal bids, including minimum of 2 HUBs	4-7 business days
Over \$25,000	Formal Invitation for Bid (IFB)	Purchasing solicits at least 3 formal bids, including minimum of 2 HUBs.	10-15 business days **
Over \$25,000	Request for Proposal (RFP)	Purchasing solicits at least 3 formal proposals, including minimum of 2 HUBs.	45-60 calendar days **
\$100,000 and over	All Methods	In addition to IFB or RFP requirements listed above, HUB Subcontracting Plan is also required. ( <i>Orders over \$500,000 require Chancellor or BOR approval.</i> )	** Add 1-5 business days to estimated processing time listed above

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

4. **Buyer** prepares bid documents for order over \$5,000 from department’s documents and submits to vendors.
5. **Vendors** return bid documents to Purchasing.
6. **Buyer** analyzes bid documents and obtains final departmental approval, if necessary.
7. **Purchasing** sends purchase order to the vendor.
8. **Vendor** provides the product or service at the proper destination.
9. **Central Receiving** processes receiving report for products received at their dock and either delivers products to the department or issues a work order for Facilities to deliver the products.
10. **DEPARTMENT** sends email to “HSC Receiver Request Office” for **products** received directly or sends email to “HSC Accounts Payable Office” for **services** received directly.
11. **Payment Services** makes payment when match exists between purchase order, receiving report, and vendor invoice.

## INDEX TO SECTIONS

<u>Section Title</u>	<u>Page</u>
Abbreviations	7
Advertisements	8
After-the-Fact Orders	8
Animals	9
Awards	9
Best Value	10
Bid Evaluation and Award	10
Bid Receipt Procedures	11
Bid Requirements	11
Blanket Purchase Orders	11
Business Transactions with Employees	12
Cancellation of Orders	12
Category Codes	13
Change Orders and Purchase Order Change Notices (POCNs)	13
Chemical Agents That May Be Used by Terrorists in MMWR	14
Clinical Controlled Substances	14
Clinical Radioactive Materials	14
Clinical Trials	14
Competitive Bidding	15
Computer Hardware and Software	15
Conflict of Interest	16
Consulting Services	16
Contract Approvals	17
Contracted Workforce Procurements	17
Contracts (Construction)	18
Contracts (Institutional)	19
Contracts (State)	19
Controlled Laboratory Apparatus	20
Controlled Precursor Chemicals	20
Course Fees and Special Service Fees	21
DEA Controlled Substances	21
Debarment and Suspension	21
Department ID Holder Responsibility	21
Department of Information Resources (DIR) Contracts	22
Departmental Records	22
Departmental Requisition Responsibility	22
Description on Requisitions	22
Direct Departmental Deliveries	23
Direct Publications	23
Disposal of Property	24
Donated Equipment	24
Due Dates	24
Electronic and Information Resources Accessibility	24
Emergency Orders	25
Ethanol - Tax-Free Alcohol	26
Excess Obligations Prohibited	26

Expediting and Follow-Up on Orders	26
Export Controls	26
Express Delivery Service	27
Fiscal Year-End Closing	27
Flowers, Floral Arrangements, and Plants	27
Food Purchases	28
Foreign Nationals	29
Foundation Fund Purchases	29
Freight	30
Funds: State and Local	31
Furnish and Install Items	32
Furnish, Inside Delivery, and Install Items	32
General Purchasing Information	32
Gift Cards	33
Gifts, Gratuities, and Honorariums	33
Grant Fund Purchases	33
Group and Cooperative Purchases	34
Hazardous Materials, Controlled Items and Radioactive Materials	35
HEAF Funds	35
Health Science Center Employees as Vendors	37
Historically Underutilized Businesses (HUBs)	37
HUB Procurement Categories	38
HUB Subcontracting Plan (HSP)	38
HUB Utilization Goals	39
HUB Vendors, How to Locate	39
Import Permits	39
Indirect Cost DeptIDs (67XXX DeptIDs)	39
Individuals as Vendors	40
Inspection of Merchandise	40
Interagency Cooperation Contract	41
Interagency Cooperation Contract with UNT	41
Justification/Comments on Requisitions	41
Lease of Space	42
Lecturers	42
Legal Services Provided by Outside Attorneys	42
Legislative Budget Board (LBB) Reports	43
License Fees	43
Maintenance/Service Agreements	43
Material Safety Data Sheets (MSDS) for Hazardous Materials	44
Memberships	44
Moving Services	45
No Charge Items Offered by Vendors	45
Notary Fees	45
Notes	46
Office Supplies	46
Open Records Requests	47
Payment of Overage on Purchase Orders	47
Payment of Purchase Orders	47
Petty Cash	47
Preferences	48
Prepayments	48

Printing/Publications	49
Procurement Methods	49
Products/Services Provided by Other HSC Departments	50
Professional Services	51
Promotional Items	52
Proprietary Purchases	52
Publications and Multimedia	53
Purchases for Personal Use	53
Purchasing Card	53
Purchasing Contract Administration	54
Radioactive Materials	54
Receiving Reports	55
Reciprocity	55
Refunds from UNTHSC Funds	56
Registration Fees	56
Reimbursement to DeptID Holders (Non-Travel)	56
Reimbursement to Employees (Non-Travel)	57
Rental of Machines and Equipment	58
Repairs, Equipment	58
Request for Quote	60
Requests for Corrections on Purchase Orders	60
Requisitions for Supplies and Equipment	61
Research Participant Payments	61
Research-Related Products and Services	62
Restocking Charges	62
Return of Materials	62
Royalty Payments	63
Rush Procedures	63
Safety Office Approval	64
Safety Standards for Electrical Items	64
Samples	64
Simulated Patient Payments	65
Small Repetitive Orders	65
Specifications	65
Sponsorships, Community Service, and Community Support	66
Standing Purchase Orders	67
Status of Purchase Orders	67
Subscriptions	67
Substitutions	68
Temporary Personnel	69
Texas Advanced Technology Research Program	69
Texas Comptroller of Public Accounts (CPA)	69
Texas Comptroller of Public Accounts (CPA) Term Contracts	69
Texas Industries for the Blind and Handicapped (TIBH)	70
Texas Multiple Award Schedules (TXMAS)	70
Tips	70
Trade-In of Existing Equipment	71
Training and Development	71
Travel	72
Travel Expenses for Service Vendors	72
UNT Health Funds	73

Unauthorized Purchases	73
Uniform Policy for Health Science Center Funds	73
Units of Measure	73
Use of Consultant and Professional Services	75
Used Equipment	76
Vendor Guidelines	76
Vendor Payee Identification Numbers	77
Vendor Payment Inquiries	77
Vendor Performance	77
Vendor Product Demonstrations	78
Vendor Protests	78
Vendors Receiving Payment for Preparation of Specifications or Requests for Proposals	78
Visa Fees	78
Warranties	79
Will Call	80

## GENERAL PROCUREMENT PROCEDURES

### ► ABBREVIATIONS

AIS	Automated Information Systems
ATF	After-the-Fact
BAFO	Best and Final Offer
CMBL	Centralized Master Bidders List
C/O	Contract Order (for non-automated term contract orders)
CPA	Comptroller of Public Accounts
C/R	Contract Requisition (for automated term contract orders)
DIR	Department of Information Resources
EIS	Enterprise Information System
ePro	eProcurement (module in EIS)
FSPD or PD	Finance System Production portal of EIS
FOB	Free on Board
HEAF	Higher Education Assistance Funds
HSP	HUB Subcontracting Plan
HUB	Historically Underutilized Business
IFB	Invitation for Bids
ITIN	Individual Taxpayer Identification Number
ITS	Information Technology Services
LBB	Legislative Budget Board
MRO	Maintenance and Repair Operations
MSDS	Material Safety Data Sheet
OAG	Office of the Attorney General
OGC	Office of General Counsel
OGCM	Office of Grant and Contract Management
OSHA	Occupation Safety and Health Administration
PO	Purchase Order
POCN	Purchase Order Change Notice
RFI	Request for Information
RFP	Request for Proposal
RFQ	Request for Qualifications
RFQ	Request for Quote
SORM	State Office of Risk Management
SPA	State Property Accounting System
TAC	Texas Administrative Code
TCI	Texas Correctional Industries
TDCJ	Texas Department of Criminal Justice
TIBH	Texas Industries for the Blind and Handicapped
TPASS	Texas Procurement and Support Services
TXMAS	Texas Multiple Award Schedules (CPA Contracts)
U/M	Unit of Measure
UNTHSC	University of North Texas Health Science Center
USAS	Uniform Statewide Accounting System
USCIS	U.S. Citizenship and Immigration Services
VID	Vendor Identification (ID) as in VID number

## ► ADVERTISEMENTS

Advertisements for faculty or staff employment positions must be approved by Human Resource Services before being processed by Purchasing. Marketing and Communications must approve all non-employment advertisements placed in local, state, and national media representing UNTHSC and/or its departments, programs, and organizations. Marketing & Communications, sometimes with the assistance of Biomedical Communications, handles all non-employment planning, writing, designing and placing of advertisements. Advertising without proper approval is strictly prohibited. Please contact Marketing and Communications or Human Resource Services with any questions.

The complete advertisement or draft artwork must be included in the ePro requisition as a line comment or as an attachment, or a copy must be submitted with a Transmittal Form. In the description include the date or issue number of the journal or magazine to indicate when the ad will run.

If the order is over \$5,000.00, leave the vendor blank and mark all lines RFQ required. Purchasing will seek informal or formal bids. If only one vendor can meet your needs, enter the vendor and attach a proprietary justification electronically or submit one with a Transmittal Form.

Proof of publication (a tear sheet; copy of printed ad; or printed listing) along with the invoice must be provided to Payment Services in order for payments for advertisements and listings in publications to be processed.

Use the following category codes in ePro for advertising:

- ✓ 915-03 for Advertising: Print
- ✓ 915-04 for Advertising: Outdoor Billboard
- ✓ 915-69 for Advertising: Faculty Recruitment
- ✓ 915-70 for Advertising: Staff Recruitment
- ✓ 915-71 for Advertising: Clinical Trials

Also see **Printing/Publications** for procedures for Health Science Center printed publications.

## ► AFTER-THE-FACT ORDERS

An after-the-fact order is defined as one submitted to Purchasing on any fund for goods and services that have already been received based on a request by a faculty or staff member prior to a purchase order being processed by Purchasing. UNTHSC is obligated to make payment for goods and services only when Purchasing, by issuing a purchase order, obligates the funds. Any other commitments are considered unauthorized purchases and the individual may encounter a personal obligation to the vendor.

**After-the-fact purchase orders should be avoided on all funds.** They are NOT allowed on state funds including HEAF and state-funded grants unless proper documentation has been provided and approved indicating that a prior written contract existed or a justified emergency existed. When special circumstances exist, departments should contact Purchasing for assistance rather than placing orders without an authorized PO. An employee placing such an order may be held personally liable for the payment if the purchase order cannot be approved by Purchasing.



In emergency situations, employees may be eligible for reimbursement for some items personally purchased for the institution. See **Reimbursement to Employees (Non-Travel)** and **Reimbursement to DeptID Holders (Non-Travel)**. The requisition must be submitted with an after-the-fact justification that explains the emergency situation that necessitated purchase of the product/service without first securing a purchase order through Purchasing. Include the justification in the Justification/Comments or add as an attachment. These purchases must meet all other purchasing requirements including, but not limited to, bid requirements; contract approvals; additional approvals such as for advertising, computer hardware/software, etc.; additional requirements such as for consulting; and funding restrictions. **NOTE:** Due to tax implications, employees will not be reimbursed for payments to an independent contractor.

Proof of payment and documentation supporting the dollar amount of the expenditure must also be submitted with the requisition in order for reimbursement to be approved and for Payment Services to process the payment. Usually a paid invoice that is made out to the individual and not the UNTHSC meets this criterion. If the invoice is not marked "paid," a copy of the employee's check or credit card will be required by Payment Services.

Vendors should be aware that providing a good or delivering a service without a purchase order may delay their payments.

### ► ANIMALS

In order to assure that the approved space is available for newly purchased animals and to ensure that animals are purchased from approved vendors, all purchase orders for live, vertebrate animals must have the approval of Lab Animal Medicine. If there is a problem with the order and the referenced vendor cannot supply the specified animals, the order will be cancelled and the end user will be notified to issue another order.

In Justification/Comments include the following: Animal Control Number and Investigator's Name.

In order to have your requisitions for research animals routed automatically to Lab Animal Medicine for approval, use one of the following category codes in ePro:

- ✓ 495-12 for Research Animals, Not Specially Bred
- ✓ 495-13 for Research Animals, Specially Bred

### ► AWARDS

Human Resource Services handles the Health Science Center's program for service awards, safety awards, or other similar awards to be presented to employees for professional achievement or outstanding service. If you have any questions, please contact Human Resources or Purchasing.

Payments to employees for monetary gifts and awards must be processed through the Payroll Office unless exempted by other institutional policy or procedure.

Use the following category codes in ePro for awards:

- ✓ 080-65 for Service Awards, Specialty Type
- ✓ 080-78 for Trophies, Plaques, Awards, Certificates, etc. (Not Otherwise Classified)

## ► BEST VALUE

As a state institution of higher education, the Health Science Center may acquire products and services by the method that provides the best value to the institution including competitive bidding, competitive sealed proposals, a group purchasing program, or an open market contract.

In determining what the best value to the institution is, the Health Science Center will consider:

1. The purchase price;
2. The reputation of the vendor and of 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 impact on the ability of the institution to comply with laws and rules relating to historically underutilized businesses and to the procurement of goods and services from persons with disabilities;
7. The total long-term cost to the institution of acquiring the vendor's goods or services;
8. Any other relevant factor that a private business entity would consider in selecting a vendor; and
9. The use of material in construction or repair to real property that is not proprietary to a single vendor unless the institution provides written justification in the request for bids for use of the unique material specified.

The Health Science Center must also follow the laws or rules relating to contracting with HUBs or relating to the procurement of goods and services from persons with disabilities. The state auditor may audit purchases of goods or services by an institution of higher education or by a component of an institution of higher education that purchases goods and services.

## ► BID EVALUATION AND AWARD

An award of a bid solicitation is made to the vendor offering the best value for the state while conforming to the specifications required. Complying with the specified time limit for submission of written data, sample, or models, on or before bid opening time, is essential to the acceptability of a bid. Preferences and Reciprocity are also considered before an award can be made.

Evaluation criteria may be considered as long as provisions are outlined in the detailed specification. Evaluation criteria must be listed in the solicitation when it goes out and should specifically outline what will be considered and what weight it will carry. Any criteria must have objective definitions and identified measures. For more complex solicitations, an evaluation team should be utilized including individuals with working and industry knowledge regarding the procurement. Contact Purchasing for additional information.

**Tie Bids:** Two or more bids that are offered at the same price and are otherwise equal in quality are considered tie bids. In breaking tie bids, the agency must use the preference(s) [claimed by the bidder](#) on the Invitation for Bids.

If two bidders bid the same bid price and preferences, awards will be determined by drawing lots. A disinterested party will draw a name with a witness present. Both persons must initial the order. If

two bidders bid the same bid price and the preferences checked are different, then the award is based on the priority currently listed in the *Texas Administrative Code (TAC) Rule 20.38*.

## ► BID RECEIPT PROCEDURES

**Bid Receipt:** Upon receipt of formal solicitation by campus mail, special carrier, or hand carried, the sealed solicitation will be date- and time-stamped, and placed in the bid file until time of bid opening. If a solicitation is received by facsimile, the Purchasing staff member will place the solicitation in an envelope and annotate the bid opening date, bid number, and bidder's name on the envelope. The bid will then be placed in the bid file until time of bid opening.

**Bid Opening:** The date, time, and physical location of bid opening will be stated clearly on the IFB. All bid openings are open to the public. All bid tabulation files are available for public inspection. Bid tabulations may be reviewed by any interested person during regular working hours. The bids and all documents and information about the evaluation of bids and bidders will be withheld until after contract award.

**Late Bids:** Any bid received after the date and time established by the solicitation is a late bid and will not be considered.

**Unsigned Bids:** A bid cannot be accepted unless signed prior to bid opening. Bids without a signature will be disqualified and not considered valid.

**Bid Tabulation:** As a general rule, bids should be tabulated when opened, but there are times when this is not practical. Some transactions cover hundreds of separate items and the time required for recording at the bid opening would be prohibitive.

## ► BID REQUIREMENTS

**State and Local Funds:** The dollar amount and the type of purchase determine the method used and the steps required to make the purchase. See the **Purchasing Executive Summary** and the summary below.

- \$0 - \$5,000.00 **One Verbal Bid** (Order should be awarded to the vendor that provides the best value to the institution.)
- \$5,000.01 - \$25,000.00 **Informal Bid** (Purchasing must attempt to obtain at least three verbal bids, including a minimum of two bids from HUB certified businesses. Price quotes may be taken by phone, by fax, or in writing, and documentation must be kept on file.)
- Over \$25,000.00 **Formal Bid** (The bid is requested by sealed envelope on a prescribed format and will be opened at a specified date and time. Purchasing must attempt to obtain at least three formal bids, including a minimum of two bids from HUB certified businesses.)

## ► **BLANKET PURCHASE ORDERS**

Materials and services that are purchased on a repetitive basis and that cannot be purchased with the Purchasing Card should be processed as blanket orders. Blanket orders are issued to a specific vendor for a fixed period of time. Delivery is on an as-required basis. They also set a limit on the amount of money that may be spent at one time or within a period of time and the total cannot exceed the bid limits for a particular funding source. Blanket orders cannot be backdated to cover a previous purchase. At the end of the specified time period, blanket orders are automatically cancelled including undelivered quantities. Purchase order change notices will not be issued to extend the ending date for blanket orders. The ending date cannot cross a fiscal year or exceed a grant fund expiration date. Also see **Standing Purchase Orders**.

For state and local DeptIDs, blanket orders may be established for items on state contract if the contract is a firm priced contract. This information is included in the General Contract Information at the beginning of all state contracts. For products not on contract, use the proper purchasing procedures for the DeptID that will fund the purchase and the total dollar expenditure.

If the dollar amount of a Blanket Order requires bids, specific products or services must be specified. Blanket Orders requiring one bid must at least be for a specific State of Texas Class; i.e., first three digits of the category code in ePro such as "175" for Chemical Laboratory Equipment and Supplies; and unit pricing should be noted on the order or with a price list that is submitted as an attachment or with a Transmittal Form.

Departments are responsible for monitoring these orders to ensure that they stay within the requirements of the order including dollar amount, quantity, specified items, etc. and for referencing the correct purchase order number when requesting delivery from the vendor.

## ► **BUSINESS TRANSACTIONS WITH EMPLOYEES**

Purchases from and sales to employees: No purchase of any kind shall be made from any officer or employee of the State of Texas or any of its agencies unless the cost of the goods or services is less than they can be purchased from any other source and no sales of equipment shall be made to such persons unless the price is more than can be obtained from any other known source.

## ► **CANCELLATION OF ORDERS**

A purchase order is a binding contract between the Health Science Center and the vendor. Therefore, it cannot be modified or cancelled unilaterally unless specified in the order or the contract. If a department requests cancellation for some reason that is no fault of the vendor, we must have the vendor's permission to cancel the order or items on the order unless specified in the order or the contract.

Send an email to the "HSC Purchasing Office" ([purchasing@untsystem.edu](mailto:purchasing@untsystem.edu)) and request cancellation of the order or items on the order. The request must include the purchase order number and the reason for the modification or cancellation. Purchasing staff will follow up on the request and notify the department of the vendor's response.

Items and/or orders may be cancelled without the consent of the vendor due to failure to fulfill their contractual obligations. Usually, this means failure to deliver in the time required and specified on

the purchase order, bid, or contract. If a department wishes to cancel an order under these circumstances, send an email to the Purchasing Office, and Purchasing will handle the request in accordance with established procedures.

### ► CATEGORY CODES

The Category in EIS eProcurement is a numeric code associated with a general product description based on the National Institute of Governmental Purchasing (NIGP) Commodity Codes used by the State of Texas: i.e., 204-53 for Computers: Desktop. The first three digits are considered a "Class," and the second two, an "Item".

In EIS, the Category drives the Account and Alternate Account expenditure codes. Codes in the "005" to "898" range are considered "Goods", and codes that begin with a "9" are considered "Services".

### ► CHANGE ORDERS AND PURCHASE ORDER CHANGE NOTICES (POCNs)

If it becomes necessary to make any changes in a purchase order, including addition of freight charges, send an email to the "HSC Purchasing Office" ([purchasing@untsystem.edu](mailto:purchasing@untsystem.edu)). Changes to purchase orders will be processed as change orders in EIS. Any changes to State Term Contract orders must be approved by Purchasing and must be processed on a Purchase Order Change Notice (POCN).

UNTHSC change orders and CPA Purchase Order Change Notices should be used only to:

1. Add or change items allowed for in the original terms and conditions of the contract or order.
2. To cancel an entire purchase order.
3. Delete individual items from a purchase order.
4. Change quantities (for over shipments or under shipments) - Only whole units of measure can be changed.
5. To change commodity codes only on confirmation orders when an incorrect item was ordered but the correct item was shipped.
6. To add options to existing contract purchase orders where the item being added is part of a system and the system was ordered on the referenced order number. **NOTE:** Specific contracts may allow accessories or maintenance to be added. Be familiar with the specific contract.
7. To reinstate purchase orders that were cancelled in error or orders cancelled due to non-delivery which are subsequently shipped and received by the agency. (CPA orders only.)
8. Change pertinent information (e.g., delivery address, institutional contact, etc.) to detail a new serial number for replacement of a defective product, where a rental or maintenance contract is involved, or change incorrect or amended rental periods in accordance with contract.
9. Extend or increase orders in accordance with the terms of the original order or contract.
10. Note product substitutions that meet all of the contract requirements.

UNTHSC change orders and CPA Purchase Order Change Notices **MAY NOT** be used for the following:

1. To change vendor names or make assignment of payment.
2. Change requisition numbers unless there was an error in the preparation of the purchase order at CPA.
3. Change commodity code numbers. (The commodity code ordered in error must be canceled, and a new [confirmation order](#) is issued for the correct commodity code.)
4. Extend the rental of a commodity for which the contract has expired.
5. Extend the effective dates of a blanket order.
6. Circumvent the bid process (e.g., increasing an existing purchase order quantity to avoid issuing a new IFB).

If new items are needed, issue a new requisition. Also see **Payment of Overage on Purchase Orders**.

### ► CHEMICAL AGENTS THAT MAY BE USED BY TERRORISTS IN MMWR

April 21, 2000/vol. 49/No. RR-4, the Center for Disease Control (CDC) published recommended guidelines for "Biological and Chemical Terrorism: Strategic Plan for Preparedness and Response".

Chemicals listed in that report that might be diverted from legitimate research use are listed below. These must be ordered through Purchasing, not on a Purchasing Card.

Arsenic	Hydrogen cyanide	Sulfuric acid
Benzene	Lead compounds	Trihalomethanes (many of these)
Chloroform	Mercury	
Cyanogen chloride	Phosgene	

### ► CLINICAL CONTROLLED SUBSTANCES

All purchase requisitions for controlled substances used for clinical purposes will be reviewed and approved by the Pharmacist before being forwarded to Purchasing. Also see **DEA Controlled Substances**.

- ✓ Use category code 269-70 in ePro for Clinical Controlled Substances

### ► CLINICAL RADIOACTIVE MATERIALS

All purchase requisitions for radioactive pharmaceuticals will be reviewed and approved by the Nuclear Technician Lab Manager before being forwarded to Purchasing.

- ✓ Use category code 269-78 in ePro for Radioactive Pharmaceuticals

### ► CLINICAL TRIALS

The Office of Clinical Trials must review and approve all purchase requisitions on clinical trial funds before being routed to Purchasing.

## ► COMPETITIVE BIDDING

Competitive bidding is the statutory foundation for purchases made for the State of Texas and its agencies and institutions of higher education. It is the process of inviting and obtaining bids from competing sources in response to advertised competitive specifications, by which an award is made. The process contemplates giving potential bidders a reasonable opportunity to bid, and requires that all bidders be placed on the same plane of equality. Each bidder must bid on the same advertised specifications, terms, and conditions in all the items and parts of a contract.

The purpose of competitive bidding is to stimulate competition, prevent favoritism, and secure the best goods and services at the lowest practicable price, for the benefit of the institution and the state. Competitive bidding cannot occur where contract specifications, terms or conditions prevent or unduly restrict competition, favor a particular vendor, or increase the cost of goods or services without providing a corresponding benefit to the state.

When possible, vendors contacted for bids should be selected from the State of Texas' "Centralized Master Bidders List (CMBL)" maintained by the Texas Comptroller of Public Accounts (CPA). Prospective vendors will be identified through other sources, in addition to the Comptroller list.

All purchases must be in accordance with established procedures, with procedural flexibility based on funding source as deemed by the Director of Purchasing. The formal written bid process must be conducted under the direction of a designated purchaser of the UNTHSC.

## ► COMPUTER HARDWARE AND SOFTWARE

The Health Science Center has established standards and policies for the acquisition and use of computers through the *Information Resources Computer Hardware and Software Procurement and Support Policy*. Purchase of computer hardware and software must meet this policy. Excerpts are listed below. For the complete policy, see

<http://www.hsc.unt.edu/policies/PolicyStorePDF/Computer%20Hardware%20and%20Software%20Procurement%20and%20Support.pdf>

All hardware and software procured by users at UNTHSC with a cost per unit exceeding \$1,000, except the Recommended Hardware on the Help Desk web page, must be justified through the submittal of the "Information Resources Hardware/Software Approval Form". Purchase requests submitted to Purchasing without an attached, approved form will be returned to the user.

The form, instructions, and a sample may be downloaded in Adobe Acrobat PDF format from the Helpdesk and Client Services website at [http://helpdesk.hsc.unt.edu/?page\\_id=1412](http://helpdesk.hsc.unt.edu/?page_id=1412).

Help Desk and Client Services will approve or disapprove each request. The approval is qualitative based on automation needs and automatic data processing (ADP) architecture compliance and does not constitute funding approval. If disapproved, a written explanation and/or recommendation will be returned with the request to the user. If the users do not agree with the disapproval, they can appeal the action to the Chief Information Officer (CIO). The CIO will review and return a decision in writing to the user with a copy furnished to Help Desk and Client Services.

Use the information posted on the Helpdesk and Client Services web page and submit an ePro requisition.

Some of the frequently used categories in ePro for computer hardware and software are as follows:

- ✓ 204-53 Computers: Desktop
- ✓ 204-54 Computers: Laptop, Notebook
- ✓ 204-55 File Servers
- ✓ 204-76 Printers, Inkjet
- ✓ 204-77 Printers, Laser
- ✓ 208-37 Software: Database
- ✓ 208-60 Software: Medical, All Types
- ✓ 208-90 Software: Utilities including Operating Systems, Virus Protection
- ✓ 208-94 Software: Word Processing, Text Editors, Spell Checkers

**NOTE:** Computers, including tablets and iPads, and software over \$1000.00 are restricted purchases on the Purchasing Card. If an exception is requested to use a Purchasing Card to purchase computers or software with a cost per unit over \$1000.00, the "Information Resources Hardware/Software Approval Form" must still be completed, submitted, and approved by Help Desk and Client Services before the exception may be reviewed and approved by Purchasing.

Please contact Help Desk and Client Services if you have any questions regarding the policy or the recommended hardware/software.

### ► CONFLICT OF INTEREST

Only the highest ethical principles are to be employed by all persons involved in the procurement process. It is the responsibility of each member of the Health Science Center staff and of the Purchasing Department to take all appropriate steps to assure that the center does not knowingly enter into a purchase commitment which could result in a conflict of interest situation. A conflict of interest exists when some factor (e.g., financial or personal interest of a vendor) interferes or appears to interfere with a purchaser's ability to be completely impartial and loyal to the center's interests. One example is that purchase of materials from a company owned by an employee of UNTHSC may be a conflict of interest. See guideline below. Also, see *Human Resources Policy 05.505 Employee Ethics and Standards of Conduct*.

Purchases are not permitted from any employee of UNTHSC when 1.) that employee or member of their immediate family has an actual or potential financial interest in the transaction, 2.) that employee is in a position to influence the transaction, and 3.) The transaction does not involve employee authored intellectual property. (For example, a DeptID Holder should not authorize purchase orders to companies owned by themselves or members of their immediate family.) However, the Health Science Center recognizes that on occasion there may be a circumstance that requires such a transaction. In such cases, the Compliance Officer of the university will review the transaction and make a determination.

### ► CONSULTING SERVICES

A consulting service is defined by Texas Government Code, Chapter 2254 as "the service of studying or advising a state agency under a contract that does not involve the traditional relationship of employer and employee." A state agency or institution may contract with a private consultant only if:



- A. There is a substantial need for the service and:
- B. The agency cannot adequately perform the service with its own personnel or through another state governmental entity.

For an institution of higher education, if the consulting service is reasonably foreseen to exceed \$25,000 on state or local funds during the term of the contract, the state agency will have pre-procurement and post-procurement oversight from the Legislative Budget Board (LBB) and the Governor's Budget and Planning Office. [The contract requires approval of the agency head and must be published in the Texas Register.](#)

All orders for Consulting Services must come through Purchasing for review and approval prior to any obligations being made for the Health Science Center. A consulting contract may be required and will have to be signed by the authorized signatory in order to be a binding contract.

If the contract exceeds \$14,000 on state funds, it must be reported to the Legislative Budget Board (LBB) within 10 days of execution.

For orders under \$25,000, submit a requisition to Purchasing. Include the scope of work and forward any draft contracts from reference vendors electronically or with a Transmittal Form.

**NOTE:** Consulting contracts exceeding \$25,000 usually take at least 120 days to process because of the publication requirements in the Texas Register; plus the Governor's Office and the Legislative Budget Board must be notified. Please contact Purchasing for assistance as soon as you become aware that you will need this type of contract.

- ✓ Use category code 918-32 in ePro for Consulting Services.

## ► CONTRACT APPROVALS

**Departments do not have the authority to sign contracts or purchasing agreements.** In some cases, contracts must also be approved by the Chancellor or the Board of Regents. See *University of North Texas System Regents Rule 03.900 Delegation of Authority for Contracts and Agreements*.

If you have a purchase that requires a contract or agreement, please contact Purchasing or the Office of Contract Administration. Also, see **Purchasing Contract Administration**.

## ► CONTRACTED WORKFORCE PROCUREMENTS

Contracted Workforce procurements are typically in four categories:

1. Temporary workers supplied by staffing companies.
2. Independent contractors
3. Consultants
4. Contracted Services to be performed by the vendor

When preparing to issue a requisition for contracted services under \$10,000 on state funds, the department must electronically attach the form for Temporary Contracted Workforce Payments or

submit with a Transmittal Form. The form documents that due consideration has been given when the decision was made to use temporary workers, an independent contractor, consultant, or company in lieu of Health Science Center employees.

When preparing to issue a requisition to a company for contracted services of \$10,000 or more on state funds, the department must electronically attach a Cost Benefit Analysis form or submit with a Transmittal Form. The form documents that due consideration has been given when the decision was made to use temporary workers, an independent contractor, consultant, or company in lieu of Health Science Center employees. Departments must also document contract workforce information by submitting the Contracted Workforce for Contracts of \$10,000 or more to Payment Services when approving the invoice. Also see **Consulting Services**.

The Contracted Workforce forms are available on the Purchasing website at:  
<http://bsc.untsystem.edu/Forms>.

USAS Object Codes (Alternate Accounts in EIS) Identified as Contract Workforce Procurements:

- 7239 Consultant Services - Approved by Governor
- 7240 Consultant Services - Other
- 7242 Consultant Services - Computer
- 7243 Educational/Training Services
- 7245 Financial and Accounting Services
- 7246 Legal Service
- 7248 Medical Services
- 7249 Veterinary Services
- 7252 Lecturers - Higher Education
- 7253 Other Professional Services
- 7255 Investment Counseling Services
- 7256 Architectural/Engineering Services
- 7257 Legal Services - Approved by the State Office of Administrative Hearings
- 7258 Legal Services - Not Requiring Approval
- 7262 Maintenance and Repair Computer Software
- 7267 Maintenance and Repair Computer Equipment
- 7274 Temporary Employment Agencies
- 7275 Computer Programming Services
- 7277 Cleaning Services
- 7284 Data Processing Services
- 7299 Purchased Contracted Services

► **CONTRACTS (Construction)**

All contracting for construction, renovation, modular furniture, etc., must be coordinated with the Facilities Management Department. Plant fund DeptIDs must be used for construction and renovations.

Please contact Facilities or the Budget Office for assistance.

## ► **CONTRACTS (Institutional)**

The Purchasing Department has set up institutional contracts for frequently used products and services for use by the University of North Texas Health Science Center. In some cases we have issued contracts for commonly used materials or services with separate purchase order being issued for each department using the material/service. Purchasing has also set up contracts for products that are needed on a continuing basis for individual departments. These contracts provide cost savings and streamlined purchasing procedures for items and services covered.

As with state contracts, many areas are covered. Examples of materials and services covered by an institutional contract are:

- Answering service
- Linens
- Uniform rental

If you would like to establish a new contract, please contact Purchasing. Once the bid has been awarded, a contract number will be assigned to the product or service.

To renew a contract, submit an ePro requisition indicating your wish to renew. Purchasing will then send a letter to the vendor stating the agency's wish to exercise the option clause and requesting that the vendor send a written response accepting or rejecting the extension within 30 days. They are asked to verify the escalation and pricing on a form that is provided. If the vendor agrees to the escalation quoted on the original bid or less, the order will be updated and approved. If the vendor is not agreeable to the escalation, state procedures require that the blanket order or service be re-bid.

If you do not wish to renew an institutional contract, written notification with complete justification must be sent to Purchasing. Many contracts require that the vendor be given at least 30 days' written notification. : [Vendors must be allowed due process](#). Therefore, if you have any complaints regarding services or materials resultant of a contract, please document the problem and notify Purchasing in writing as soon as possible. Do not wait until the renewal period.

## ► **CONTRACTS (State)**

There are numerous contracts awarded by state agencies for use by all state agencies and institutions of higher education.

**Texas Comptroller of Public Accounts (CPA) Term Contracts** – CPA is the state agency whose primary responsibility is to provide goods, services and facilities to the State of Texas. One part of fulfilling this responsibility is to establish term contracts available to all Texas state agencies. See **Texas Comptroller of Public Accounts (CPA) Term Contracts** at: [http://www.window.state.tx.us/procurement/contracts/all\\_term/](http://www.window.state.tx.us/procurement/contracts/all_term/).

**Texas Multiple Award Schedule (TXMAS) Contracts** – These contracts have been developed from contracts that have been competitively awarded by the federal government or any other governmental entity of any state. See **Texas Multiple Award Schedules (TXMAS) Program** at: <http://www.window.state.tx.us/procurement/prog/txmas/>.

**Department of Information Resources (DIR) Contracts** – DIR is an agency of the State of Texas that negotiates volume purchase agreements for quality technology products and services. All

Texas state agencies are eligible to use these agreements. See **Department of Information Resources (DIR)** at: <http://www2.dir.state.tx.us/Pages/Home.aspx>

**Texas Industries for the Blind and Handicapped (TIBH) Contracts** - The Texas State Use Program is designed to increase employment and wages and to enhance the lives of Texans with disabilities. First consideration must be given to the products and services they provide. The products and services they offer are listed on TIBH's Online Product Catalog. See *Texas Industries for the Blind and Handicapped (TIBH)* at: <http://www.tibh.org/>

### ► CONTROLLED LABORATORY APPARATUS

The following items have the potential to be diverted to the manufacture of illegal drugs and are considered "controlled laboratory apparatus." In order to implement the Memorandum of Understanding (MOU) between the Texas Higher Education Coordinating Board (THECB) and the Texas Department of Public Safety (DPS), the items on this list must be ordered through Purchasing, not on a Purchasing Card. The DeptID Holder is responsible for ensuring that the correct category code is used on the ePro requisition and for maintaining the required receiving records for these items. Please contact the Safety Office with questions regarding these products.

Adapter tubes	Flask heaters
Condensers	Heating mantles
Distilling apparatus	Soxhlet extractors
Distilling flasks	Tableting machines
Encapsulating machines	Transformers
Funnels: Filter, buchner, and separatory	Vacuum dryers
Flasks: Erlenmeyer, single-neck, two-necked, three-necked, round-bottom, Florence, thermometer, and filtering	

- ✓ Use 175-01 Controlled Laboratory Apparatus for any of these items.

### ► CONTROLLED PRECURSOR CHEMICALS

The following items have the potential to be diverted to the manufacture of illegal drugs and are considered "controlled precursor chemicals." In order to implement the Memorandum of Understanding (MOU) between the Texas Higher Education Coordinating Board (THECB) and the Texas Department of Public Safety (DPS), the chemicals on this list must be ordered through Purchasing, not on a Purchasing Card. The DeptID Holder is responsible for ensuring that the correct category code is used on the ePro requisition, and for maintaining the required receiving and use records for these chemicals. If you have any questions regarding these chemicals, please contact the Safety Office or the Pharmacy.

Anthranilic acid	Ethyl malonate	Phenylpropanolamine
Barbituric acid	Hypophosphorus acid	Piperidine
D-lysergic acid	Malonic acid	Pseudoephedrine
Diethyl malonate	Methylamine	Pyrrolidine
Ephedrine	N-acetylanthranilic acid	Red phosphorus
Ergotamine tartrate	Norpseudoephedrine	
Ethylamine	Phenylacetic acid	

- ✓ Use 175-02 Controlled Precursor Chemicals for any of these chemicals.

## ► COURSE FEES AND SPECIAL SERVICE FEES

Purchases funded with course fees and special service fees (currently assigned a 6XXXX DeptID) must follow institutional policies and procedures. Generally, any equipment purchased with these funds must be necessary to provide the services for which the fee is collected. The DeptID Holder is responsible for ensuring that all purchases meet this requirement. Please refer to the Fund Group Guidelines or contact Accounting with questions regarding purchases on these funds.

## ► DEA CONTROLLED SUBSTANCES

DEA Schedules: Drugs under jurisdiction of the Controlled Substance Act are divided into five schedules based on their potential for abuse and physical and psychological dependence. Department ID holders with a valid controlled substance license are responsible for submitting requisitions for purchases of controlled substances according to applicable Health Science Center policies and procedures including those detailed in the *Control Substance in Research Policy*.

Purchase requisitions for substances used for research that require a DEA license must be reviewed and approved by the Office of Research Compliance before being routed to Purchasing. The following information must be entered in the Justification/Comments:

- "NOTE TO CR: Call Dr. Name at "phone number" to pick up from Central Receiving; Alt Authorized Staff: Name, "phone extension"."
- "NOTE TO VENDOR: Individual Researcher License for Dr. First Name Last Name (as appears on DEA License) on file."
- "SHIP TO: ATTN: Dr. First Name Last Name (as appears on DEA License), Room 875; UNT Health Science Center."
- For Schedule II Purchases: "Transmittal Form and DEA 222 Form # \_\_\_\_\_ to follow."

Please contact the Office of Research Compliance and visit their website at <http://www.hsc.unt.edu/research/compliance/> for questions regarding these purchases. Also see **Clinical Controlled Substances**.

- ✓ Use category code 875-59 in ePro for DEA Controlled Substances used for research.

## ► 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 E.O. 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 E.O. 12549.

## ► DEPARTMENT ID HOLDER RESPONSIBILITY

It is the responsibility of each department ID holder to ensure all funds entrusted to them are managed in accordance with state law, federal law and the Health Science Center policies and procedures. As custodian of those funds, the department ID holder takes full accountability for all

processes and personnel that might affect them. The department ID holder must ensure that personnel who have delegated budget authority and those who are processing purchasing or accounting documents, are fully trained by utilization of training seminars sponsored by the Health Science Center Finance Division and/or individual on-site departmental training conducted by appropriate individuals.

### ► DEPARTMENT OF INFORMATION RESOURCES (DIR) CONTRACTS

Submit items on these contracts on an ePro requisition. Use the vendor listed on the DIR website (<http://www2.dir.state.tx.us/Pages/Home.aspx>). Purchase orders are mailed directly to the vendor, and copies are sent to the department.

### ► DEPARTMENTAL RECORDS

Departments are encouraged to check open purchase orders in EIS Manage Requisitions until the order is complete, and you have verified that EIS shows a receiver for each item or you have notified Payment Services that the service has been completed.

Purchasing Card Approvers are responsible for ensuring that the original Transaction Report with all necessary documentation is retained at the department level and made available for audits for five (5) fiscal years plus the current fiscal year.

### ► DEPARTMENTAL REQUISITION RESPONSIBILITY

The requisitioning department is responsible for defining quantity, quality, specifications, delivery date requirements, and all other pertinent information required for proper processing. The department may also be asked to assist the buyer in evaluating the bids received relative to a purchase for the department.

### ► DESCRIPTION ON REQUISITIONS

The description on an ePro requisition should be concise, but complete. It is not enough to put only a catalog number, model number, or a single word description. Because Central Receiving and Payment Services screens use the first 30 characters of the description, be as specific as possible at the beginning of the description.

For products, begin the description with the catalog number and state a generic description. Where appropriate, state the size, color, weight, functions, etc. When using box, package, carton, case, or other bulk terminology for the Unit of Measure, include the number per carton case, etc. in the description. Example: 4/bot/ctn.

- Sample of incomplete description: 21008-678, Tubes
- Sample of complete description: 21008-678, Corning 15 mi Conical Centrifuge Tubes Sterile, 500/case

For services, begin the description with specific information and include date(s) of services or effective dates. There is no need to include "For services to be rendered to provide".

- Sample of incomplete description: Scanner Maintenance
- Sample of complete description: FY12 Kodak 1780 Document Scanner (S/N #5150) Annual Maintenance. Effective 9-1-XX to 8-31-XX.

### ► DIRECT DEPARTMENTAL DELIVERIES

Normal procedures require vendors to make deliveries to Central Receiving. However, some products and services need to be delivered directly to the department by the vendor. Examples are installations and repairs. When products and services are delivered directly to the department, the department is the only one that can verify receipt. Send an email to the "HSC Receiver Request Office" ([receiver@unthsc.edu](mailto:receiver@unthsc.edu)) for products received directly, or send an email to "BSC Payments Office" ([payments@untsystem.edu](mailto:payments@untsystem.edu)) for services received directly. Property Control must also be advised when equipment is delivered directly and installed by a vendor so that it can be properly tagged.

Invoices received by departments must be forwarded to Payment Services immediately. See **Payment of Purchase Orders**.

### ► DIRECT PUBLICATIONS

Direct publications are publications only available from a single source. Any publication that could be purchased using a competitive process is not considered a direct publication. For example, publications that are available through subscription services are not direct publications. Examples of direct publications include, but are not limited to:

- Subscriptions only available directly from the publisher.
- Foreign publications.
- Back issues of magazines, journals, and newspapers.
- Publications produced by professional societies.
- Audio, visual or audiovisual materials (films, audio presentations, etc.) that are only available directly from the publisher.
- Computer software and software maintenance which is only available directly from the publisher.
- Electronic data service directly from the publisher (not to be confused with internet service providers such as EarthLink or America On-line, which are not direct publications).
- Collections of any of the foregoing items, including microfilm or microfiche copies of the collection.
- Library of Congress cards.
- Theses, dissertations, research findings and academic publications.

If you need to purchase an item that is a direct publication and the total dollar amount requires informal or formal bids, submit a requisition to the sole vendor that publishes the publication and include the following statement in Justification/Comments: "Direct Publication: Not available from any other source." Direct Publication orders are then processed to the single provider without soliciting competitive bids.

### ► DISPOSAL OF PROPERTY

When you need to discard or dispose of UNTHSC property (not consumables), contact the Property Control Department. **DO NOT DISCARD or place in trash.** Property is declared surplus by Property Control utilizing the State Property Accounting (SPA) System of the Comptroller's office. For additional information see the Property Control website. Call Property Control for questions regarding disposal method.

### ► DONATED EQUIPMENT

If equipment and/or supplies will be donated to your department, please contact Institutional Advancement in writing and include the donor name and address and a list of the donated items. This is required for recording and acknowledgment purposes. Please forward a list of the items to Property Control so they can be reviewed for inventory status. Include description, serial number, acquisition date, and fair market value for each item. The donation may need to be approved by the Safety Office and/or the Board of Regents.

### ► DUE DATES

In EIS, the Due Date signifies a delivery due date for the vendor. It can also indicate the beginning and ending dates for services. In most cases, using the current date is acceptable for Goods.

For Services, use the ending date of the service. Examples:

- 8/31/XX - maintenance, blanket order with effective date for the fiscal year
- 9/30/XX - memberships, subscriptions with effective dates of 10/1/XX - 9/30/XX

Our goal is to process properly submitted requisitions within the processing times listed under the "Purchasing Executive Summary." If the product/service is needed in shorter time than normal processing times would allow, follow **Rush Procedures.**

### ► ELECTRONIC AND INFORMATION RESOURCES ACCESSIBILITY

Accessibility rules established by the Texas Department of Information Resources (DIR) were developed to ensure that employees with disabilities have access to and the use of resources comparable to the access and use available to employees without disabilities. UNTHSC strives to provide electronic and information resources ("EIRS") that are accessible to all members of the Health Science Center community and that meet the requirements of the Texas Department of Information Resources.



Departments or individuals are required to comply with DIR accessibility rules and with UNTHSC policy and procedures related to the development, procurement, maintenance or use of electronic and information resources. See *Human Resources Policy 05.211 Electronic and Information Resources Accessibility* and [Electronic and Information Resources Accessibility Compliance Plan](#) for additional details and instruction in meeting this requirement.

## ► EMERGENCY ORDERS

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

If you have such a situation, follow these procedures:

- Obtain one phone bid.
- Submit a requisition and follow **Rush Procedures**.
- If the purchase is over \$25,000, leave the vendor blank and mark the lines RFQ required. List any suggested vendors that you have in Justification/Comments. Submit an Emergency Purchase justification electronically or walk it to Purchasing with a Transmittal Form. The justification must include the following:
  - The nature of the emergency purchase (hazard to life, health, safety, welfare, or property or to avoid undue additional cost to the state), and what caused the emergency situation; and
  - The estimated impact or damage either financial or otherwise that will occur by following normal procurement practices (general statements of loss or nominal damage are not acceptable).
- If the product or service is proprietary or proprietary/sole source, also submit a Proprietary Justification form electronically or walk to Purchasing with the Emergency Purchase justification. The Emergency Justification and the proprietary justification may also be submitted as one memo.
- We will attempt to secure at least three phone bids from the CMBL including a minimum of two bids from HUB certified businesses. We will approve and issue the order as quickly as possible. Depending on the emergency, written bids may be requested by fax or a Return Mail Bid may be sent to the vendor as a confirmation in order to secure a written bid.

## Almost Emergencies

In a situation when you need something immediately–yet it is not an emergency as defined above, you may request “rush” handling. Departments should use the normal processing times described earlier as a guide to anticipate needs in advance so that these requests are kept to a minimum to allow the normal processing routine to function effectively.

All orders with “rush” requests will be handled in as timely a manner as possible. To assist in the prompt processing of these orders, please ensure that they meet all purchasing requirements when submitted. If you need assistance with one of these orders, please call Purchasing at Ext. 2680.

### ► ETHANOL - Tax-Free Alcohol

All purchase orders for 95% or 100% ethanol must be processed through the Pharmacy. The Pharmacist has responsibility for maintaining accurate inventory records for acquisition of these types of alcohol. In addition, the Health Science Center has an Industrial Alcohol User Permit and Special Tax Stamp that exempts the user from the alcohol tax that is applied to the purchase of alcohol. The Pharmacist monitors orders to make certain that we fulfill the requirements of these permits.

Please contact the Pharmacy with any questions.

### ► EXCESS OBLIGATIONS PROHIBITED

No department shall incur an obligation in excess of the amounts appropriated to it for the respective objects or purposes named. In the event this provision is violated, the State Comptroller shall deduct an amount equivalent to such over-obligation from the salary or other compensation due the responsible requisitioning or disbursing officer or employee.

### ► EXPEDITING AND FOLLOW-UP ON ORDERS

Expediting is the process of attempting to secure a more rapid delivery than promised by a vendor on a purchase order. Whether a vendor accommodates a request to expedite a delivery is strictly at the discretion of the vendor. Contractually, the vendor is only required to meet the delivery schedule of the purchase order.

For orders \$5,000.00 or less, the department should contact the vendor. For orders over \$5000, send an email to the "HSC Purchasing Office" ([purchasing@untsystem.edu](mailto:purchasing@untsystem.edu)), and the staff will contact the vendor and notify you as soon as possible.

Follow-up is an effort to ensure that the vendor understands that we expect timely delivery of an order and that the delivery schedule set forth in a purchase order will be met.

### ► EXPORT CONTROLS

The policy of the Health Science Center is to comply with federal export control laws and regulations, including the Export Administration Regulations (EAR), the International Traffic in Arms Regulations (ITAR), and the Office of Foreign Assets Control Regulations (OFAC). Export controls apply to all research or projects conducted under the auspices of UNT Health Science Center. This includes many activities of the Health Science Center such as travel with UNTHSC owned electronic devices outside the United States; shipping or taking research data, results or equipment to embargoed/sanctioned countries; hosting foreign visiting scientists; exporting select agents; biological/chemical/radiological agents; and making payment or providing services to foreign entities/persons on the sanctioned lists.

It is the responsibility of faculty and administrators to be aware of and comply with the law relative to their work, students assisting them in their work or research, and agreements and

collaborations with others to ensure no exports are made contrary to law and the University's policies and procedures regarding U.S. export controls.

For assistance with this policy, please contact the Office of Research Compliance and visit their website at <http://www.hsc.unt.edu/research/compliance/>.

### ► EXPRESS DELIVERY SERVICE

Express delivery service including overnight, second-day, and ground delivery is on State Term Contract Class 962-M1. The contract carriers will provide delivery of letters and small packages that are addressed to locations within the contiguous 48 United States, Alaska, Hawaii, Puerto Rico, and International, including Canada and Mexico. Departments should use the contract if it provides the best value.

Purchase orders are not required for Federal Express shipments. Central Receiving charges the DeptID through an interdepartmental transfer with a journal entry (JE). Departments are responsible for filling out a Freight Requisition for the shipment and taking the item and requisition to Mail Services or to CBH-140 by 2:30 p.m. Any shipments not taken to one of these two locations by the pickup time should be brought to the General Service Building (dock) by 4:00 pm. Please contact Central Receiving at Ext. 2155 if a shipment will not be ready by 4:00 pm. The form is posted on the Central Receiving website at: <http://www.hsc.unt.edu/departments/centralservices/receiving.cfm>

The requisition must contain the following:

1. Addressee
2. Street Address (NO POST OFFICE BOX NUMBERS)
3. City, State, and Zip Code
4. Phone number of addressee
5. Type of shipment needed

International freight requires a purchase order. Submit a requisition to Purchasing for these shipments. Contact Central Receiving for additional information.

### ► FISCAL YEAR-END CLOSING

The fiscal year for the University of North Texas Health Science Center runs from September 1 to August 31. Year-end deadline notices with exact deadline dates for each type of order are usually distributed during April or May of each year. Adherence to the schedule will help ensure that your purchases can be processed by the end of the fiscal year.

If the order is for the new fiscal year, add the following statement to Justification/Comments on your requisition: "FYXX - For Invoicing and Delivery on or after 9/1/XX". [For requisitions on budgetary and non-budgetary funds](#), the department must change the Budget Date to 9/1/XX. [For requisitions on project/grant funds](#), departments should use the current date.

## ► FLOWERS, FLORAL ARRANGEMENTS, AND PLANTS

State agencies may not use state funds to purchase flowers, floral arrangements, or plants. A state agency may not use appropriated money to purchase, lease, or maintain a live or artificial indoor plant.

Local funds that have no restrictions for such expenditures may be used to purchase flowers, floral arrangements, and plants for employees in celebration of a birth or adoption of a child; for an illness; for the family of an employee who has passed away or for an employee who had an immediate family loss; for the family of a student who passed away; for decorations at events such as a luncheon or conference meeting; or for administrative professional's day.

- ✓ Use category code 595-28 in ePro for Flowers and Floral Arrangements.
- ✓ Use category code 595-61 in ePro for Plants, Indoor.

## ► FOOD PURCHASES

Payments to vendors or reimbursements to employees for meals or food purchases will normally not be made unless individuals who are neither employees nor students of the Health Science Center also participate and Health Science Center business is transacted. Only local funds may be used for these payments.

- In situations involving only employee and/or student participation, reimbursement for the meals may be made if one of the following conditions exist: (local funds only)
  - Meal expenses are directly related to business meetings.
  - Meals are provided to employees on the campus for the Health Science Center's convenience, meaning that there must be a substantial business reason for providing the meals; and
- Documentation must be provided with the requisition (if reimbursing an employee) that supports the fact that the expenses are directly related to or associated with the conduct of official Health Science Center business.
- This procedure does not affect reimbursements related to travel or classroom academic activities. Please contact Travel Services for additional travel-related information.
- If meals or food purchases involve serving alcohol in one of the Health Science Center facilities, the requirements of *Administration General Policy 04.101 Internal Facilities Use Policy* must be met including those for the [Request to Serve Alcohol Form](#) that is posted on the Room Scheduling Office website.

A list of attendees must be provided which identifies the participants by name and designation sufficient to establish business relationship to the Health Science Center. In situations involving large groups of people, such as a reception for an event, a general description of the category of guests (i.e. faculty, staff, alumni, ticket holders, etc.) may be included in lieu of an itemized list.

**Additional Requirements:** State funds cannot be used to purchase business meal related food or alcohol. Note: Some Vice-Presidents and/or DeptID Holders may place additional restrictions on the use of Health Science Center funds to purchase food or alcohol.

Holiday or celebratory events should use Designated, Auxiliary, Endowment, Foundation or other local funds not specifically prohibited in the Fund Group Guidelines or other institutional policies or procedures.

On most local funds, payments or reimbursements may be made if the meal or food is associated with official Health Science Center business. However, food purchases are generally not allowed on federal grants because of specific restrictions. Please contact Grant and Contract Management with any questions regarding food purchases on these funds. See **Reimbursement of DeptID Holders (Non-Travel) and Reimbursement to Employees (Non-Travel)**.

Food for official events to be held at UNTHSC or other authorized locations is an allowable purchase on the Purchasing Card; this does not include meetings or events at restaurants. The Purchasing Card should be used for purchases up to the cardholder's single purchase limit. Please contact the Procurement Card Administrator should you have any questions.

If the total is over the cardholder's single purchase limit **or** if it is over \$5,000.00, use a requisition. The requisition should be submitted **prior** to the event, following the proper procedures for the total amount of the order. Orders over \$5,000.00 require competitive bids or a proprietary justification if the specifications limit consideration to one service provider. Bids may be based on estimated number of attendees.

Requisitions for reimbursement to employees for business meals must include the business reason for the expenditures and should contain sufficient documentation to satisfy the Internal Revenue Service's "five W's": who, what, where, when, and why.

Use the following category codes in ePro:

- ✓ 390-33 Food, Beverages, and Business Meal Purchases
- ✓ 961-15 Catering, Coffee Service
- ✓ 962-94 Bottled Water Services

## ► FOREIGN NATIONALS

Per IRS regulations, purchase orders to Foreign Nationals (Non U.S. Citizens) for services that will be rendered in the United States must include the social security number or an individual taxpayer identification number (ITIN) for the individual. These orders also require IRS forms, which must be completed by the individual or the department. ePro requisitions submitted without the required information may be denied to the coordinator who entered the requisition.

If a service will be performed outside the United States by a Foreign National, a note such as "services to be performed outside the U.S. in \_\_\_\_\_" must be added in Justification/Comments.

Please contact Accounting at Ext. 2255 with questions regarding the tax forms required for payments to Foreign Nationals. See **Individuals as Vendors**.

## ► FOUNDATION FUND PURCHASES

Foundation orders are processed through Purchasing following the Foundation purchasing guidelines. These orders require the approval of Institutional Advancement.

Purchasing serves as a pass through for these orders so they may be paid by Payment Services. These orders are reviewed for approval of the Advancement Office and federal tax issues. Payments for cash or cash equivalents must follow institutional policies and procedures, and payments to individuals for services must follow institutional procedures. See **Individuals as Vendors**.

Contracts on Foundation funds that are for the Health Science Center must follow the *University of North Texas System Regents Rule 03.900 Delegation of Authority for Contracts and Agreements*.

Please contact the Institutional Advancement Office if you have questions regarding orders on these funds.

## ► FREIGHT

The term F.O.B. is the abbreviation for "free on board" and refers to control and ownership of goods while they are being shipped. "F.O.B. Shipping Point" or "F.O.B. Origin" means that the buyer assumes title when the carrier picks up the goods. The buyer owns the goods in transit and must file any freight claims. Used by itself, it also means the buyer pays the freight. "F.O.B. Destination" means the seller retains title until the goods are delivered to the buyer. The seller owns the goods in transit and must file any freight claims. Unless qualified, it means that the seller pays the freight. These F.O.B. terms may be qualified with payment terms. These determine the payment of the freight charges and have nothing to do with the title of the goods or who files claims for freight damage.

The terms and conditions for written bids require that the bidders quote F.O.B. Destination. If a bidder takes exception to this, he must note it on the bid. EIS requisitions and purchase orders default to F.O.B. Destination Freight Prepaid and Added. If a vendor quotes different freight terms for orders under \$5,000.00, add a "Note to Purchasing" in Justification/Comments and state the term quoted.

The most common variations are as follows:

- F.O.B. Destination or F.O.B. Destination Freight Prepaid and Allowed
  1. Title passed upon delivery to buyer
  2. Seller pays freight charges
  3. Seller owns goods in transit
  4. Seller files any freight claim
  
- F.O.B. Destination, Freight Prepaid and Added
  1. Title passed upon delivery to buyer
  2. Buyer pays freight charges
  3. Seller owns goods in transit
  4. Seller files any freight claim

- F.O.B. Origin; or F.O.B. Origin, Freight Prepaid and Added

1. Title passed to buyer upon delivery to carrier
2. Buyer pays freight charges
3. Buyer owns goods in transit
4. Buyer files any freight claim

- F.O.B. Origin, Freight Prepaid and Allowed

1. Title passed to buyer upon delivery to carrier
2. Seller pays freight charges
3. Buyer owns goods in transit
4. Buyer files any freight claim

Because freight charges will be added to the invoice on many requisitions, remember to budget for freight charges and maintain sufficient funds in applicable DeptIDs to cover freight charges.

- ✓ If you list freight as a line on an ePro requisition, use the same category code as the main item on the requisition.
- ✓ Use 962-86 (Freight Services - Only) in ePro if only paying for freight services.

## ► FUNDS: STATE AND LOCAL

Two categories of funds exist in budgets used by the institution to secure merchandise and services for Health Science Center utilization. Each source of funds has specific rules and restrictions as to how its monies can be spent. Purchases with state and local funds are administered by the Health Science Center Purchasing Department.

1. **State Funds:** State funds are appropriated by the State Legislature from the State Treasury and are on deposit with the State Treasury until disbursement. All state funds must follow State expenditure requirements. Funds held by the State Treasurer are normally not carried over from one fiscal year to the next. State funds used for purchasing include:

- General Revenue Fund: 10000 - 34999; 36000 - 45999
- Texas Advanced Technology Research Fund: G35200 - G35299; G35400 - G35499; RS9001 - RS9499
- Internal Service Fund: 46000 - 46999
- Higher Education Assistance Fund (HEAF): 61000 - 61999
- Tobacco Fund: 62000 - 62099; 62200 - 62299
- HEAF Plant Fund: 80200 - 80399; 80800 - 80849; 80900 - 85999
- State (Non-HEAF) Plant Fund: 80700 - 80799; 80850 - 80879

2. **Local Funds:** Local funds are all funds collected at the institution that are not “general revenue funds”. They include gift funds, auxiliary enterprise funds, and contract and grant funds. Use of these funds is restricted by local purchasing regulations, the Board of Regents' rules, Health Science Center policy, and the procurement rules of the granting/contracting agency providing funds. In addition, the use of federal funds is restricted by the Office of

Management and Budget Circular A-110, Circular A-21, and prudent business practices. Local funds can usually be carried over from one fiscal year to the next. Local funds used for purchasing include:

- Auxiliary Fund: 50000 - 59999
- Designated Fund - General Fund: 60000 - 60999; 63000 - 63999; 64000 - 64999; 66000 - 66999; 67000 - 67999; 68000 - 68999; 69000 - 69999 (excluding those identified as "Designated Fund - Student Service Fees and Incidental Fees")
- Designated Fund - Student Service Fees and Incidental Fees: Currently in 60XXX, 64XXX, 66XXX, 69XXX series (see Fund Group Guidelines for current list)
- Designated Fund - Designated Practice Plan Fund (UNT Health): 65000 - 65999
- Restricted Fund - Local: 70000 - 77999
- Restricted Fund - Grants: GXXXXX and RXXXXX ProjIDs
- Endowment Fund: 79000 - 79999
- Unexpended Plant Fund: 80000 - 80199; 80400 - 80699; 80880 - 80899
- Agency Fund: 90000 - 96999
- Foundation Fund: 97000 - 97999

### ► FURNISH AND INSTALL ITEMS

Departments may request products to be purchased on a "Furnish and Install" basis. Products ordered as such will be delivered to Central Receiving. Receiving or Facilities will deliver the product to the department. The vendor will then uncrate, set in place, and install the product. All "Furnish and Install" orders must specify an exact location of installation and the name and telephone number of a person who will coordinate installation with the vendor.

Departments are responsible for sending an email to the "HSC Receiver Request Office" ([receiver@unthsc.edu](mailto:receiver@unthsc.edu)) to notify Central Receiving when the installation has been completed per the terms of the purchase order.

### ► FURNISH, INSIDE DELIVERY, AND INSTALL ITEMS

Departments may request products to be purchased on a "Furnish, Inside Delivery, and Install" basis. Products ordered as such will be delivered to the installation site by the vendor and will be uncrated, set in place, installed, and calibrated, when necessary, by the vendor. All "Furnish, Inside Delivery, and Install" orders must specify an exact location of installation and the name and telephone number of a person who will coordinate installation with the vendor.

Departments are responsible for sending an email to the "HSC Receiver Request Office" ([receiver@unthsc.edu](mailto:receiver@unthsc.edu)) to notify Central Receiving when the installation has been completed per the terms of the purchase order. Property Control must also be advised so that installed equipment can be properly tagged.



## ► GENERAL PURCHASING INFORMATION

Purchasing is responsible for performing the purchasing function on behalf of the Health Science Center. Purchases are made in compliance with all current rules and regulations based on funding source.

All purchases of supplies, equipment and services with the exception of food for meal service, bookstore items for resale, books for the library, and interdepartmental orders shall be made through the Purchasing Department.

## ► GIFT CARDS

Gift cards in any amount are treated like cash and require extensive cash control documentation for IRS reporting requirements. See **Petty Cash, Research Participant Payments, and Simulated Patients.**

All cash or cash equivalent gifts and awards including gift cards given to employees must be processed through Payroll and will be subject to IRS taxing regulations unless exempted by other institutional policies and procedures.

Gift cards should **NOT** be used for special purposes for employees, family members of employees, students, volunteers, or other individuals or groups. Any commitment or purchase of gift cards by individuals are considered unauthorized purchases and the individual may incur a personal obligation to the vendor.

## ► GIFTS, GRATUITIES, AND HONORARIUMS

The Code of Ethics/Standards of Conduct for the Health Science Center requires personnel to refrain from accepting or soliciting any gift, favor, or service that might reasonably tend to influence the employee in the discharge of his/her official duties or that the employee knows or should know is being offered with the intent to influence his/her official conduct. Employees will refrain from accepting any gifts, gratuities or entertainment from vendors who do business or who wish to do business with the center. See *Human Resources Policy 05.505 Employee Ethics and Standards of Conduct.*

Gifts and other items for personal use given by the Health Science Center to employees, family members of employees, students, officials and other officers of other universities, officials of state or federal agencies, or local dignitaries must be purchased following institutional policies and procedures.

Honorariums are, by definition, gifts to an individual. If it is an honorary gift or a gratuitous payment instead of being compensation for services rendered, then a state agency may not constitutionally pay an honorarium. If a service is being provided, use the proper procedures for the service. In the description, indicate the service that is to be provided rather than using the term "honorarium."

## ► GRANT FUND PURCHASES

The following instructions apply to all grant funds and are intended to streamline purchasing procedures while maintaining those policies dictated by Attachment O of OMB Circular A-110, Circular A-21, and prudent business practices, as well as Health Science Center Fiscal Management policies and procedures.

1. Each order will be handled individually.
2. All transactions will be conducted to provide to the maximum extent practical, open, and free competition. If you require a specific brand of goods from a particular vendor, you must justify restricting the order to a specific brand or a particular vendor. This justification may be added to the requisition as a line comment or as an electronic attachment. See **Proprietary Purchases**.
3. Every effort should be made to anticipate your requirements in order to allow the Purchasing Department the time required to process your order in a routine manner. However, in the event of an emergency, please call the Purchasing Department, and we will assist you.
4. All purchase requisitions on grants and contract funds managed by the Office of Grant and Contract Management (OGCM) will be reviewed by OGCM for allowable cost and approved before being routed to Purchasing.

### Grant Subcontracts

Requisitions for grant subcontracts to other agencies or organizations are considered to be proprietary. The Office of Grant and Contract Management provides specific instructions on how these requisitions are to be submitted. Include basic service requirements as identified in the contract, beginning and ending dates, and how payments will be processed. The full amount of the contract should be encumbered and the description should state this is a “not to exceed” total.

- ✓ Use category code 999-01 in ePro for Subcontracts/Grants <=\$25,000
- ✓ Use category code 999-02 in ePro for Subcontracts/Grants >\$25,000

## ► GROUP AND COOPERATIVE PURCHASES

Group and cooperative purchasing allow those eligible to order under established contracts without additional formal bidding. The Health Science Center, as a state agency and an institution of higher education, is eligible to participate in many group and cooperative purchasing programs, including the following. Provided the contracts were competitively advertised and addressed HUB requirements, no additional justification or bidding is required.

**Amerinet** - Amerinet was formed for the healthcare industry and offers items and services that hospitals use including pharmaceuticals, staffing, interpreters, moving, medical, surgical, scientific, etc.

<https://members.amerinet-gpo.com/AcMem/login.aspx?topage=members.amerinet-gpo.com/Amerinet.aspx>

**BuyBoard** - The BuyBoard was developed by the Texas Association of School Boards (TASB) along with the Texas Association of Counties and the Texas Municipal League. It is open to all local

governments, nonprofits, and other political subdivisions of the State of Texas. [http://www.tasb.org/services/cooperative\\_purchasing/buyboard/index.aspx](http://www.tasb.org/services/cooperative_purchasing/buyboard/index.aspx)

**Educational & Institutional Cooperative (E&I)** – E&I is a not-for-profit buying cooperative which provides goods and services to its members at the best possible value. The Cooperative is owned by its membership of more than 1500 tax-exempt colleges, universities, prep schools, hospitals, medical research institutions and hospital purchasing organizations located throughout the United States, including the UNTHSC. <http://www.eandi.org>

**First Choice Cooperative** – This cooperative is a member owned cooperative that has over 600 supply and equipment agreements for healthcare providers. <http://www.fcoop.org:8080/web/guest;jsessionid=53f5a53b79b700de8fa99318074a>

**Houston-Galveston Area Council** - Houston-Galveston Area Council offers competitive pricing for vehicles, communications, consulting, and heavy equipment. <http://www.hgacbuy.org/home/>

**Provista** – This cooperative was formed for the healthcare industry and offers products and services that hospitals use including pharmaceuticals, furniture, document management services, business products, medical, surgical, and scientific. <https://www.provistaco.com/>

**The Cooperative Purchasing Network** – TCPN is available for use by all public and private schools, colleges, universities, cities, counties, and other government entities in the State of Texas. <http://www.tcpn.org>

**The Interlocal Purchasing System** – TIPS is available for use by all public and private schools, colleges, universities, cities, counties, and other government entities in the State of Texas. <http://www.tips-usa.com/>

**US Communities** – All government entities are eligible to use US Communities contracts, which focus on high use, high volume items. <http://www.uscommunities.org>

## ► HAZARDOUS MATERIALS, CONTROLLED ITEMS, AND RADIOACTIVE MATERIALS

Department ID holders are responsible for submitting requisitions for purchases of hazardous materials, controlled precursor chemicals, items considered a controlled laboratory apparatus, and radioactive materials according to applicable Health Science Center policies and procedures including those detailed in the UNT Health Science Center Biosafety Manual, the UNT Health Science Center Radiation Safety Manual, and the UNT Health Science Center Safety Manual. Required approvals may be electronically attached to the requisition. Also see **Controlled Laboratory Apparatus**, **Controlled Precursor Chemicals**, and **Radioactive Materials**.

## ► HEAF FUNDS

Higher Education Assistance Funds (HEAF) were created by an amendment to Article VII, Section 17 of the Texas Constitution. The constitutional amendment designated that these funds could only be spent for the following five purposes:

1. Acquiring land either with or without permanent improvements,
2. Constructing and equipping buildings and other permanent improvements,
3. Major repair or rehabilitation of buildings or other permanent improvements,
4. Acquisition of capital equipment, and
5. Library books and library materials.

Facilities Management administers the HEAF plant fund DeptIDs that are used for the purposes of acquiring land, constructing and equipping buildings, and major repair or rehabilitation.

DeptIDs 61000-61999 are designated for the acquisition of capital equipment and library books and library materials. The Library administers the DeptIDs for the acquisition of library books and materials. Therefore, 61000-61999 DeptIDs administered by other Health Science Center departments are limited to the purchase of capital equipment.

Capital equipment is defined as a fixed or moveable tangible asset to be used for operations, the benefits of which extend over more than one fiscal year. Capital equipment having a value of \$5,000.00 or more per unit must be carried on the inventory control records for the Health Science Center. Once received, this equipment is tagged and identified with UNTHSC property numbers.

HEAF funds may also be used to purchase equipment that has a value of less than \$5,000 per unit if it is non-consumable and meets the definition above. Generally, equipment must have a minimum value of \$25.00 per item to qualify for purchase with HEAF funds. Products must also fall under one of the allowed Texas State Comptroller Expenditure Codes. When received, it will be given a property tag that reads "Property of UNTHSC". Some examples would include calculators, fax machines, and furniture.

Current allowable expenditure codes when capital item is under the capitalized threshold:

- 7334 - Personal Property - Furnishing, Equipment and Other - Expensed
- 7335 - Parts - Computer Equipment - Expensed
- 7374 - Personal Property - Furnishings and Equipment - Controlled
- 7377 - Personal Property - Computer Equipment - Expensed
- 7378 - Personal Property - Computer Equipment - Controlled
- 7380 - Personal Property - Computer Software - Expensed
- 7382 - Personal Property - Books and Reference Materials - Expensed (Library only)
- 7510 - Telecommunications - Parts and Supplies
- 7517 - Personal Property - Telecommunications Equipment - Expensed
- 7521 - Real Property - Infrastructure - Telecommunications - Expensed

The Education Code specifically prohibits prepayment of goods or services with HEAF funds. Of the Comptroller's exceptions for prepayments, only the exception concerning books and other published library materials applies to the HEAF prohibition.

Consumable items, services including maintenance and repair, travel expenses, rentals and leases, and items purchased for resale may not be purchased with HEAF funds. Examples would be office supplies, data processing supplies, chemical supplies, research supplies, shop supplies, replacement parts, and equipment maintenance. Exceptions are as follows:

- 1) Supplies required to start up capital equipment that are purchased as part of the original acquisition. To be included on HEAF funds, the exceptions must be listed on the initial requisition and be on the original purchase order. Quantities are limited to two each. If the association is not

readily evident, include a notation in the description that the item is required as a start up supply. For example: start up supply for item #1.

2) Maintenance agreements and extended warranties that are purchased as part of the original acquisition. To be included on HEAF funds, the exceptions must be listed on the initial requisition and be on the original purchase order.

3) Supplies or services required to put the capital equipment into use. These may be processed on another purchase order. To be included on HEAF funds, the exception order must be processed in the same general period of time and payments must be made within the same fiscal year. The department requisition must use the same category code in ePro as the original PO. The original PO number and an explanation of how the new order meets this requirement must be referenced in Justification/Comments. For example: Items are required for installation of capital equipment purchased on PO XXXXX.

### ► **HEALTH SCIENCE CENTER EMPLOYEES AS VENDORS**

Purchases are not permitted from any employee of UNTHC when: (1) That employee or member of their immediate family has an actual or potential financial interest in the transaction, (2) That employee is in a position to influence the transaction, and (3) The transaction does not involve employee authored intellectual property. (For example, a DeptID Holder for the Health Science Center should not authorize purchase orders to companies owned by themselves or members of their immediate family.) However, the Health Science Center recognizes that on occasion there may be a circumstance that requires such a transaction. In such cases, the Compliance Officer of the university will review the transaction and make a determination. See **Conflict of Interest**.

No purchase of any kind shall be made from any officer or employee of the State of Texas or any of its agencies unless the cost of the goods or services is less than they can be purchased from any other source and no sales of equipment shall be made to such persons unless the price is more than can be obtained from any other known source. See **Business Transactions with Employees**.

All requisitions to individuals for services are routed to Human Resource Services for Ad Hoc approval. They review the requisitions to determine employment status. Current employees who perform additional service must be paid through the payroll system regardless of the funds used and even if the nature of the service is separate from the individual's employment with the Health Science Center. Individuals who have been employed by UNTHSC during the past 12 months must also be paid through the payroll system.

Please contact Human Resources with any questions regarding employment status.

### ► **HISTORICALLY UNDERUTILIZED BUSINESSES (HUBs)**

It is the policy of the State of Texas to encourage the use of Historically Underutilized Businesses (HUBs) by state agencies and to assist agencies in the implementation of this policy through race, ethnic, and gender-neutral means. The purpose of this program is to promote full and equal business opportunities for all businesses in state contracting in accordance with the goals specified in the State of Texas Disparity Study. (*34 Texas Administrative Code Part 1, Chapter 20, Subchapter B, Historically Underutilized Business Program*)

The University of North Texas Health Science Center is committed to achieving the State's goal of increasing contracting opportunities for Historically Underutilized Businesses (HUBs). For the complete policy, see the *Fiscal Management Purchasing: HUB Program Policy*.

A HUB business is one in which at least 51% of the business is owned, operated, actively controlled and managed by a minority or a woman and with its principal place of business in Texas. HUBs are identified as members of the following groups:

- Black Americans, which includes persons having origins in any of the Black racial groups of Africa;
- Hispanic Americans, which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
- American Women, which includes all women of any ethnicity except those specified as HUB;
- Asian Pacific Americans, which includes persons whose origins are from Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, the U.S. Trust Territories of the Pacific, the Northern Marianas, and Subcontinent Asian Americans which includes persons whose origins are from India, Pakistan, Bangladesh, Sri Lanka, Bhutan or Nepal; and
- Native Americans, which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians.

## ► HUB PROCUREMENT CATEGORIES

The Texas Comptroller of Public Accounts establishes the expenditure (object) codes as defined in the State Comptroller's Office Manual of Accounts that must be included in the semi-annual and annual statewide HUB reports for each procurement category. These are the codes used as Alternate Accounts in EIS by the Health Science Center.

The current Procurement Categories are as follows:

- Heavy construction other than building contracts;
- Building construction, including general contractors and operative builders contracts;
- Special trade construction contracts;
- Professional services contracts;
- Other services contracts; and
- Commodities contracts.

See the full listing of object codes for each category on the CPA website at [http://www.window.state.tx.us/procurement/hub/hub\\_report/fy1/atcha.pdf](http://www.window.state.tx.us/procurement/hub/hub_report/fy1/atcha.pdf).

Additional information on expenditure (object) codes can be accessed via the *State Comptroller's Office Manual of Accounts* at [https://fm.xcpa.state.tx.us/fm/pubs/cma/11-10/cma\\_10-10\\_sec5.pdf](https://fm.xcpa.state.tx.us/fm/pubs/cma/11-10/cma_10-10_sec5.pdf)

## ► HUB SUBCONTRACTING PLAN (HSP)

State agencies and institutions of higher education that consider entering into a contract with an expected value of \$100,000 or more must determine whether subcontracting opportunities are probable under the contract.

If subcontracting opportunities are probable, the agency's invitation for bids or other purchase solicitation documents with an expected value of \$100,000 or more must state that probability and require a HUB Subcontracting Plan (HSP).

The HUB subcontracting plan must be submitted at the same time as the response (bid, proposal, offer, or other applicable expression of interest), except for construction contracts involving alternative delivery methods. For construction contracts involving alternative delivery methods, the HUB subcontracting plan may be submitted up to 24 hours following the date/time that responses are due provided that responses are not opened until the HUB subcontracting plan is received.

Responses that do not include a completed HUB subcontracting plan in accordance with state requirements must be rejected due to material failure to comply with advertised specifications in accordance with *Texas Administrative Code (TAC) Rule §20.14(a)*.

### ► HUB UTILIZATION GOALS

The current goal per *Texas Administrative Code (TAC) Rule 20.13* is for each state agency to make a good faith effort to assist HUBs in receiving a portion of the total contract value of all contracts that the agency expects to award in a fiscal year in accordance with the following percentages:

- (1) 11.9% for heavy construction other than building contracts;
- (2) 26.1% for all building construction, including general contractors and operative builders' contracts;
- (3) 57.2% for all special trade construction contracts;
- (4) 20% for professional services contracts;
- (5) 33% for all other services contracts; and
- (6) 12.6% for commodities contracts.

### ► HUB VENDORS, HOW TO LOCATE

- Use vendor search function in EIS eProcurement.
- Check the UNTHSC Purchasing website:  
<http://bsc.unthsc.edu/finding-hub-vendors>
- Search the Texas Comptroller of Public Accounts Centralized Master Bidder's List:  
<http://www.window.state.tx.us/procurement/cmb/cmbhub.html>
- Contact the HUB Assistant at (855) 868-4357.

### ► IMPORT PERMITS

Biological agents and recombinant DNA molecules, which are to be imported, require an import permit through the USDA. It is the responsibility of the researcher/DeptID Holder to ensure that the

permit is secured. Additional information, USDA contact phone numbers, and online permit applications are available on the USDA website at:  
[http://www.aphis.usda.gov/import\\_export/animals/animal\\_import/animal\\_imports\\_anproducts.shtml](http://www.aphis.usda.gov/import_export/animals/animal_import/animal_imports_anproducts.shtml).

### ► **INDIRECT COST DeptIDs (67XXX DeptIDs)**

Indirect cost DeptIDs (67XXXs) are intended to be used for reasonable purchases to grow and support research programs. The Office of Grant and Contract Management (OGCM) currently is not required to review and approve expenditures on F&A recovery DeptIDs, but should be contacted if a cost is questionable. Internal Audit will review expenditures on these DeptIDs as part of their annual

audit plan. If you are aware of inappropriate expenditures on these DeptIDs, you have a responsibility to report that to OGCM or the Institutional Compliance Office.

Please contact the OGCM if you have any questions regarding these funds.

### ► **INDIVIDUALS AS VENDORS**

All requisitions to individuals for services are routed to Human Resource Services for Ad Hoc approval. They review the requisitions to determine independent contractor/employee status and employment status.

By general common law definition, an independent contractor controls the means and methods by which a job of work is performed. If an individual who is not already employed by the Health Science Center is performing a service that does not meet the criteria for independent contractor status, he/she must be paid through the payroll system.

Health Science Center employees who perform additional service must be paid through the payroll system regardless of the funds used and even if the nature of the service is separate from the individual's employment with the Health Science Center. If the individual is determined to be a current employee or an individual who has been employed by UNTHSC during the past 12 months, he/she must be paid through the payroll system.

In summary, payments to individuals who perform services for the Health Science Center are only payable through purchase order if Human Resource Services determines the individual is an independent contractor under IRS definitions and if the individual is not a Health Science Center employee.

### ► **INSPECTION OF MERCHANDISE**

State agencies must inspect all shipments received against purchase orders and report any discrepancies to the vendor and to the CPA if order was issued by CPA. When shipments arrive in Central Receiving, their personnel inspect the delivery and make every effort to note all visible damage and shortages and to initiate claims with the vendor or shipper. When merchandise is delivered to departments, department personnel must inspect it for other damage or shortages. If either is found, you must report damage/shortage to Central Receiving within 48 hours and request



inspection; retain the damaged item(s), including all packaging; confirm phone calls in writing; and keep copies of all correspondence.

Concealed damage must be reported to the delivery carrier in writing within 15 days or the carrier cannot be held responsible. In addition, unlisted shortages must be reported to the vendor in writing within 15 days or the vendor cannot be held responsible for the shortages. A vendor may be required to pick up any merchandise not conforming to specifications and replace the merchandise immediately. Payment Services must also be notified. If payment has not been made, they can avoid an incorrect payment.

For more information regarding claims for damages or shortages on purchase orders, please contact Central Receiving.

### ► **INTERAGENCY COOPERATION CONTRACT**

The state provides that a state agency may contract with another state agency to render services and/or materials and the receiving agency will reimburse the performing agency for the cost.

Agreements involving payment of funds from the Health Science Center to another state agency will require a purchase order regardless of the amount.

Contracts that total \$50,000 or more must have an Interagency Cooperation Contract (IAC) that is signed by the authorized signatory in order for it to be binding. Transactions over \$2,500 require a letter of agreement or a written contract. Purchase orders are usually sufficient for this level.

The IAC number must be noted on the purchase order. When work is completed or goods received, notification referencing the purchase order number must be sent to Payment Services. If all items are in order, Payment Services will process for payment.

The Accounting Office must be contacted in order to set-up the transaction in USAS if the Health Science Center is receiving payment from another state agency.

Please contact Purchasing or Office of General Counsel if you need assistance with an interagency contract.

### ► **INTERAGENCY COOPERATION CONTRACT WITH UNT**

Contracts with the University of North Texas (UNT) that total \$50,000 or more must have an Interagency Cooperation Contract that is signed by the Vice President for Finance or an authorized designee in order for it to be binding. Purchase orders are used for transactions less than \$50,000.

### ► **JUSTIFICATION/COMMENTS ON REQUISITIONS**

See information regarding "Justification/Comments" on ePro requisitions in the following sections:

**After-the-Fact Orders**  
**DEA Controlled Substances**

**Direct Publications**  
**Emergency Orders**  
**Fiscal Year-End Closing**  
**Foreign Nationals**  
**Freight**  
**HEAF Funds**  
**Lecturers**  
**Notes**  
**Prepayments**  
**Radioactive Materials**  
**Reimbursement to Employees (Non-Travel)**  
**Rental of Machines and Equipment**  
**Repairs/Equipment**  
**Rush Procedures**  
**Sponsorships, Community Service, and Community Support**  
**Training and Development**  
**Will Call**

### ► LEASE OF SPACE

The Health Science Center may process leases of space regardless of the fund source. The designated leasing liaisons for UNTHSC are the Chancellor, the President, and their designees.

- ✓ Use category code 971-34 in ePro for Rental/Lease of Laboratory Space.
- ✓ Use category code 971-45 in ePro for Rental/Lease of Office Space
- ✓ Use category code 971-70 in ePro for Rental/Lease of Storage Space.

### ► LECTURERS

A requisition is required for guest lecturers. Submit the order prior to the lecture date. Separate the actual fee from the expenses on ePro requisitions in order for Accounting to appropriately file IRS Form 1099. [See examples below for lecturers.](#)

- For lecture fee itself, begin the description with "Lecture fee..." Include date(s) and topic.
  - For expenses, use a separate line or lines. Begin the description(s) with "Estimated lecture expenses to include taxi fare \$xxxx, air fare \$xxxx, meal on date xxxxxx \$xxxx, meal on date xxxxxx \$xxxx.
  - If no fee is involved and we are only reimbursing expenses, begin line with "Estimated Lecture expenses."
  - If payment is needed by a specific date, please note this in Justification/Comments.
  - If the lecture service will exceed \$5,000, a proprietary justification must be included with your order or we will have to attempt to secure bids. Usually proprietary justifications are based on the expertise of the lecturer.
- ✓ Use category code 924-60 (Lecture {For Students}) in ePro for all line items if the lecture is for students. In the description include which class or to which students the lecture will be given.

- ✓ Use category code 924-35 (Lecture, Training {Employees}) in ePro for all line items if the lecture is only for faculty and/or staff. In the description include to which employees the lecture will be given.

Upon completion of the lecture, notify Payment Services by sending an email to “Accounts Payable Office.” Also see **Travel Expenses for Service Vendors**.

### ► LEGAL SERVICES PROVIDED BY OUTSIDE ATTORNEYS

Legal services provided by outside attorneys must be handled through the Office of General Counsel due to requirements of the Office of the Attorney General (OAG). Please contact the Office of General Counsel regarding these services.

### ► LEGISLATIVE BUDGET BOARD (LBB) REPORTS

The Legislative Budget Board (LBB) maintains a statewide database on Consultant Services; Professional Services; Construction Services; Major Information Systems orders; and Other orders that total \$50,000 or more. We are required to notify the LBB of all executions, renewals, amendments, modifications, or change orders on state funds within 10 days of each action as follows:

- A contract for \$14,000 or more for consulting services as defined by Govt. Code 2254.021 (1).
- A contract for \$14,000 or more for professional services as defined by Govt. Code 2254.002 (2).
- A contract for \$14,000 or more for construction services.
- A contract for \$100,000 or more for major information systems orders as defined by Govt. Code 2054.008.
- A contract for \$50,000 or more for “Other” contracts; i.e., contracts that do not fall into one of the other categories.

The notification requirement does not apply to a contract for professional services for medical or optometry services; an interagency contract; or a contract totaling less than the specified amount.

### ► LICENSE FEES

Some state employees such as certified public accountants, real estate agents, and attorneys must obtain and/or renew professional licenses or certificates. According to Opinion Texas Attorney General No. JM-1063 (1989), an agency may pay the fees that are necessary for an employee to obtain or renew a certificate or license if:

1. The agency determines that the payment is directly and substantially related to the agency's governmental functions, and
2. The agency would receive an adequate return on payment.

A requisition for license fees must include a statement explaining how payment of the license and/or certificate fee meets these two conditions. Also include verification that the license and/or certificate are required for the employee's position at the Health Science Center.

- ✓ Use category code 999-50 (Fees and Other Charges) in ePro for License Fees.

## ► MAINTENANCE/SERVICE AGREEMENTS

Contracts for maintenance service on Health Science Center owned equipment must be covered by a purchase order. Departments are not authorized agents and do not have the authority to sign maintenance agreements. Therefore, all maintenance agreements must be sent to Purchasing with a requisition.

A maintenance agreement is classified as a service contract. Because of the service classification, these agreements are subject to the bidding process. Some maintenance agreements are competitive, and some are restricted to one service provider. If you need a maintenance agreement that is restricted to one provider and the total is more than \$5,000, a proprietary justification must be submitted with your requisition. Contact Purchasing if you have any questions.

Payment for services on state funds must be made against the fiscal year in which the services are rendered. If services are provided during two or more fiscal years, the payment must be prorated. Payment for maintenance contracts on an annual basis is an exception. If you have additional questions related to payment of maintenance agreements, please contact Payment Services.

When searching for category codes in ePro, use “maint” or “maint/re”. Some of the frequently used codes for maintenance agreements are as follows:

- ✓ 920-45 Software Maintenance/Support
- ✓ 936-33 Fire Protection Equipment Maintenance/Repair
- ✓ 936-60 Printing Plant Equipment Maintenance/Repair
- ✓ 936-73 Security Systems Maintenance/Repair
- ✓ 938-56 Hospital/Medical Equipment Maintenance/Repair
- ✓ 938-62 Lab Equipment-General/ Analytical Maintenance/Repair
- ✓ 938-63 Lab Equipment-Specialized Maintenance/Repair
- ✓ 938-81 Scientific Equipment Maintenance/Repair
- ✓ 939-21 Computer/Data Processing Equipment Maintenance/Repair
- ✓ 939-72 Radio/Telecommunications Maintenance/Repair

## ► MATERIAL SAFETY DATA SHEET (MSDS) FOR HAZARDOUS MATERIALS

Normally, vendors send an MSDS under separate cover to the Safety Office, and the Safety Office redistributes copies to the ordering department. If an order is delivered with MSDS, the receiving DeptID Holder must forward a copy of the MSDS to the Safety Office.

## ► MEMBERSHIPS

### Professional Organizations

Memberships in Professional, Educational, and/or Learned Organizations are, in general, payable from local or state funds. Memberships purchased with state funds must be in the name of the institution. Individual memberships are considered a personal expenditure, and as such, are not payable from state funds. Individual memberships may be paid using appropriate local funds if documentation is provided that indicates a savings by joining individually rather than as an institution or documentation is provided that indicates only individual memberships are accepted.

State funds cannot be used for payment of membership dues to an organization on behalf of the agency or an employee of an agency if the organization pays all or part of the salary of a person required to register under Chapter 305, Government Code. We use the Ethics Commission's home page, <http://www.ethics.state.tx.us>, to check the status of organizations. If the organization is on this list, state funds may not be used for the membership.

The order must include the complete name of the organization, the effective dates of membership, membership number, if available, and representative's name. Sample description: Membership dues to American Osteopathic Association. Representative: John Smith, D.O. Effective 6/1/11 through 5/31/12.

Memberships on state funds must also have the approval of the President or his designee. Due to the legislation that requires this approval, the delegation for this function is not to be delegated further. A statement detailing the benefits the Health Science Center will receive from the membership must be included on all membership orders. Add the justification as a line comment or electronically attach a memo to the requisition.

- ✓ The category code for a membership on a state DeptID is 963-48 in ePro.
- ✓ The category code for a membership for a local DeptID is 999-51 in ePro.

### **Chambers of Commerce**

Memberships to a chamber of commerce are only allowed on local funds as long as the DeptID allows that type of purchase.

### **Club Memberships**

Memberships in country clubs must have the President's approval. This is usually contained in the hire letter and allows local funds to be used. Club memberships not approved by the President or contained in the individual's hire letter, must be paid from gift funds.

### **► MOVING SERVICES**

Moving expenses for new Health Science Center employees must be paid from local funds. The new employee hiring letter or employment contract must authorize and define the expense.

- ✓ Use category 999-04 in ePro for Employee Moving Expenses.

State or local funds may be used to move Health Science Center owned equipment.

- ✓ Use category 962-56 in ePro for Moving Services.

### **► NO CHARGE ITEMS OFFERED BY VENDORS**

Some vendors and manufacturers offer "no charge" or "free" items with certain purchases. If you are interested in such a purchase, first evaluate the purchase using the criteria outlined in the Best Value section. If it is the best value and you take advantage of the offer, the items must be considered property of UNTHSC and used for official business purposes. The department is

responsible for maintaining documentation with the transaction, whether by P-Card or ePro requisition, that details the best value evaluation and how the items were used.

If using an ePro requisition for the purchase, include any “no charge” or “free” items on a separate line(s) and include full description and quantity. Use the same category code as you would if purchasing the item(s).

If using a P-Card transaction, maintain the documentation with the Transaction Report for the purchase. Contact the Procurement Card Administrator if you have any questions.

## ► NOTARY FEES

The State of Texas does not require employees designated as notaries to purchase notary bonds. All other notary regulations must be followed. The state provides defense and indemnification to a state employee for damages, attorney’s fees, and court costs adjudged against them when the damages are based on an act or omission in the course and scope of the person’s employment. (*Civil Practice and Remedies Code Section 104.001*)

Therefore, when notarizing documents outside the course and scope of your work duties, you will not have the protection for your actions unless you personally purchase the notary bond.

The State Office of Risk Management’s (SORM) procedures and forms for Notary without Bond can be found at the following website:

[http://www.sorm.state.tx.us/Risk\\_Management/Bonds\\_and\\_Insurance/notary\\_forms.php](http://www.sorm.state.tx.us/Risk_Management/Bonds_and_Insurance/notary_forms.php)

- ✓ Use category code 999-50 in ePro for Notary Fees.

## ► NOTES

If you have special instructions for the vendor, or for a UNTHSC service department (including Central Receiving, Payment Services or Property Control), include a note in the Justification/Comments area of the requisition. Examples include the following:

- NOTE TO AP: Prepayment Required. Check and renewal form to accompany purchase order.
- NOTE TO AP: Please call Mary at x1234 when check is ready to be picked up.
- NOTE TO CR: Deliver to EAD-702
- NOTE TO PROPERTY CONTROL: Hard drive upgrade for Apple computer, UNTHSC #12345, SN #5678.
- NOTE TO VENDOR: Ship these products with longest expiration date possible.
- NOTE TO VENDOR: Ship for delivery by 4/25/XX.

Any special requests for Purchasing should also be listed in Justification/Comments.

## ► OFFICE SUPPLIES

Biomedical Communications handles office paper for the campus. Consequently, office paper should be ordered from them. See **Products/Services Provided by Other HSC Departments**.

Office supplies are available on the State Term Contracts, including from Texas Industries for the Blind and Handicapped (TIBH). Use the state contract products and services if they meet your specifications. If using the term contract, send a requisition to Purchasing with the appropriate commodity code(s).

Office supplies are an allowable purchase on the Purchasing Card, and the Purchasing Card should be used if you are not ordering from TIBH. Numerous office supply vendors, including HUB vendors, accept the HSC Purchasing Card and make deliveries directly to the departments.

### ► OPEN RECORDS REQUESTS

The UNT System Office of General Counsel must be notified immediately if you receive a request for copies of public records including any related to purchasing. See *Administration General Policies 04.112 Charge for Public Records* for the Health Science Center's schedule of charges for public records.

Vendors requesting copies of open records will be charged fees according to this schedule. However, there will be no charge to vendors for the first fifty (50) copies related to purchasing.

### ► PAYMENT OF OVERAGE ON PURCHASE ORDERS

The following procedure was initiated to facilitate timely remittances and to eliminate the need for change notices for purchase orders, in some instances. Generally, the procedure is used for purchase orders that require one informal bid.

On a local DeptID, invoices that are up to 10% over the total amount stated on the purchase order will be processed for payment, provided the purchasing bid limits are not exceeded. Overage rule does not apply to **QUANTITIES**, only dollar amounts. Should the overage take the payment into the next bid limit, then the department will be notified to contact the Purchasing Department for assistance in properly handling the situation. Payment will be held until action is taken. Any interest that is charged by the vendor due to delays in correcting the purchase order could be charged back to the department who issued the purchase order.

### ► PAYMENT OF PURCHASE ORDERS

When a three-way match exists between the purchase order, receiving report, and vendor invoice, payment will be made by Payment Services, providing all other necessary stipulations for payment have been met. Invoices received by departments **must** be forwarded to Payment Services immediately because our payment terms are net 30 days after receipt of goods/services and/or the invoice, whichever is later. Prompt payment laws require the Comptroller to compute interest on late payments, pay the interest at the time principal payment is made, and make the interest payment without requiring the vendor to petition for payment.

Payment Services processes purchase payments according to the Comptroller of Public Accounts "eXpendit Web resource", which replaces "The State of Texas Purchase Voucher Guide", and the Uniform Statewide Accounting System (USAS) User Manual. If you have any questions regarding invoices, please contact Payment Services.

## ► PETTY CASH

Petty cash funds are established by the authority of the Vice President for Finance or his designee. To establish a cash fund, a request should be submitted to Payment Services. The funds are used as change funds for sales and/or services provided by the department and for small incidental expenditures that cannot otherwise be paid with Health Science Center checks or the Purchasing Card.

Petty cash fund custodians are responsible for the monies and must be full-time benefits eligible Health Science Center employees. They are required to balance the account routinely and to request reimbursements. Expenditures must meet the legal requirements for the fund group. The funds may not be used to circumvent current purchasing and payment procedures and are subject to surprise reviews by the Internal Auditors. Detailed instructions will be given to the fund custodian by Payment Services at the time the funds are established.

If you have any questions, contact Payment Services.

## ► PREFERENCES

The state uses the following **source preferences** when applicable goods or services can be supplied by these entities:

- Products by Persons with Disabilities
- Texas Department of Criminal Justice (TDCJ), Institutional Division
- Texas and United States Products and Texas Services
- Products and Services from Economically Depressed and Blighted Areas
- Products of Facilities on Formerly Contaminated Property

The state uses the following **specification preferences** regarding recycled materials:

- Recycled, Remanufactured, or Environmentally Sensitive Products
- Energy Efficient Products
- Rubberized Asphalt Paving material
- Recycled Motor Oil and Lubricants
- Vendors that Meet or Exceed Air Quality Standards
- Recycled or Reused Computer Equipment of Other Manufacturers
- Food of Higher Nutritional Value

In case of tie bids, one or more preferences described in the *Texas Administrative Code (TAC) Rule 20.38* and listed below are used to make an award.

- Texas Agricultural Products
- Texas Produced Supplies, Materials, or Equipment
- Texas Resident Bidder
- U.S. Produced Supplies, Materials, or Equipment

Tie bids that cannot be resolved by applying one or more preferences will be made by drawing lots. See **Tie Bids** in the **Bid Evaluation and Award** section.



## ► PREPAYMENTS

Generally, payments are released only after goods/services have been received. Prepayments follow the Comptroller's guidelines for advance payments. This includes advance payments to federal, Texas or agencies of other states; subscriptions, and annual maintenance agreements. Other exceptions may be made for memberships, significant cost savings, or for specialized or proprietary goods or services if the vendor requires prepayment.

Prepayments should only be used for small dollar purchases. All prepayments are made with the understanding that appropriate local funds will be used to supplant expenditures for non-received and non-conforming goods and services.

If prepayment is requested for specialized or proprietary goods or services, include the following note in Justification/Comments: "NOTE TO AP: Prepayment required for (specialized or proprietary goods or services, whichever is appropriate)." Include verification that the vendor requires prepayment and a proprietary justification or a statement detailing how the requested goods or services are specialized or proprietary if the requisition does not require a proprietary justification due to the total amount.

If prepayment is requested due to significant cost savings, include the following note in the Justification/Comments: "NOTE TO AP: Prepayment required for significant cost savings of (dollar amount or percentage, whichever is appropriate)." The amount or percentage must also meet the following institutional guideline: minimum of \$10 on orders under \$100; 10% for orders from \$100-\$1,000; and a minimum of \$100 for orders over \$1,000.

## ► PRINTING/PUBLICATIONS

Any printed publications (brochures, fliers, newsletters, etc.) intended for mailing/distribution to external audiences, must be approved by Marketing and Communications and designed professionally by Marketing and Communications, Biomedical Communications, or an outside designer working with Marketing and Communications. Marketing and Communications coordinates planning and producing publications. There is no charge for the service.

All printing should be handled through the Biomedical Communications Department regardless of funds.

Texas State law also requires the Health Science Center to send copies of its publications to the Texas State Library as part of the Texas State Publications Depository Program. The Technical Services Librarian in the Gibson D. Lewis Health Science Library is the Health Science Center's contact for the Depository Program. If your area currently produces publications of any kind, contact that office before printing to determine whether copies are needed for the State Depository Program, and if so, how many. In addition, at least one copy of every publication should be sent to the Technical Services Librarian to retain in the Health Science Center archives.

For assistance with printing, please contact Biomedical Communications or Marketing and Communications. If you have any questions about the Depository Program, please contact the library.

## ► PROCUREMENT METHODS

The two main methods that the departments use to purchase goods and services are through the Purchasing Card program and through the ePro system. If the purchase involves a contract, the Purchasing contract section will also be involved.

The main methods that Purchasing uses to meet the requirements of competitive bidding and competitive sealed proposals include the following:

**Informal Bids** – Price quotes may be taken by phone, by fax, or in writing.

**Invitation for Bids (IFB)** – The IFB uses the competitive sealed bid method. The bid is requested by sealed envelope on a prescribed format and will be opened at a specified date and time. This method is used when the requirements are clearly defined, negotiations are not necessary, and price is the major determining factor for selection.

**Request for Information (RFI)** – An RFI is used primarily as a planning tool. It is an optional method that may be used to gather information in order to prepare a complete and accurate solicitation document when the institution does not have the necessary information to prepare the document. A preliminary solicitation document that provides an initial description of the program objectives and specifications usually accompanies an RFI for review by potential respondents. A state agency may use the information derived from the responses to finalize their solicitation document. Agencies are not required to incorporate any or all of the comments or suggestions made by the respondents, but the hope is that the vendors will provide useful information in the RFP development process. RFIs do not include pricing, and an RFI does not obligate the institution to an order.

**Request for Proposals (RFP)** – Request for Proposal (RFP) uses the competitive sealed proposal method and is chosen when competitive sealed bidding is not practicable or advantageous. Generally this is when factors other than price are to be considered or when objective criteria cannot be defined. One of the key differences between an IFB and an RFP is that negotiations are allowed in an RFP. Discussions are allowed with the respondents and best and final offers are permitted. State statutes give specific guidelines concerning documentation, procedures, and handling requirements for using the competitive sealed proposal procedures.

**Request for Qualifications (RFQ)** – Request for Qualifications (RFQ) is generally used for Professional Services wherein the respondents are evaluated based solely on their qualifications. Price is not considered until after selection is made by the agency based on qualifications. Professional Services are covered under Texas Government Code 2254.

<http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2254.htm>

## ► PRODUCTS/SERVICES PROVIDED BY OTHER HSC DEPARTMENTS

Use Health Science Center service departments for products/services that they provide. This includes but is not limited to the following:

- Biomedical Communications: *Printing, Graphic Arts, Copy Paper, Copier Rental*
- Central Receiving: *Overnight Mail Service*
- Human Resource Services: *Temporary Personnel*

- Information Technology Services: *Computer Support, Telecommunications*
- Lab Animal Medicine: *Animal Services*
- Pharmacy: *Pharmaceuticals, Ethanol -- Tax-Free Alcohol*
- Facilities: *Facilities Maintenance, Renovations, Construction*
- Marketing and Communications: *Design, ad planning/buying, marketing consultation (any service provided by an advertising or public relations agency)*

Products or services available from a service department should be ordered from the appropriate department. The using department must follow the appropriate procedures for the service department. Most require an order form, which must be processed by the using department, approved by the appropriate personnel, and submitted directly to the department furnishing the products or services. Charges are handled through an interdepartmental transfer with a journal entry (JE).

To purchase items or services from off-campus vendors, the items or services should be functionally different from those available on campus. Exceptions should be limited to emergency situations with center-wide significance.

Please contact the appropriate service departments for assistance with products and services they provide.

## ► PROFESSIONAL SERVICES

All orders for Professional Services must come through Purchasing for review and approval prior to any obligations being made for the Health Science Center. A “Professional Services Contract” may be required to accompany the requisition and will have to be signed by the authorized signatory in order to be a binding contract.

Some specific Professional Services are exempt from bidding requirements. These must be within the scope of practice as defined by Texas Government Code 2254.002 or provided in connection with the professional employment or practice of a person who is licensed or registered in:

- Accounting – a certified public accountant (CPA);
- Architecture – an architect;
- Landscape architecture;
- Land surveying – a land surveyor;
- Medicine – a physician, including a surgeon;
- Optometry – an optometrist;
- Professional engineering – a professional engineer;
- Professional nursing – a registered nurse; or
- Real estate appraising – a state certified/licenses real estate appraiser.

Contracts are awarded based on demonstrated competence and qualifications for the type of professional services to be performed. Fees must be fair and reasonable.

If the service total exceeds the one verbal bid level, a Request for Qualifications (RFQ) and a contract may be required. Submit a requisition to Purchasing as soon as possible after the need for the contract is identified. The purchase order will be issued after the contract has been signed by all parties.

If the contract exceeds \$14,000 on state funds, it must be reported to the Legislative Budget Board (LBB) within 10 days of execution.

### **Other Professional Services**

Services rendered on a fee, contract, or other basis by a person, firm, corporation, or company recognized as possessing a high degree of learning and responsibility are usually considered to be “other professional services”. These services are **not exempt** from bidding requirements. Follow the guidelines per the order total. If only one vendor can provide the service that you require, submit a proprietary justification with the requisition.

- ✓ Use 962-58 (Professional Services {Not Otherwise Classified}) in ePro for Other Professional Services

### **► PROMOTIONAL ITEMS**

Promotional items are used for marketing the Health Science Center. Depending on the mission of a department, the purchase of promotional items may be authorized on appropriate **local funds only**. Individual promotional items should be nominal in cost and must comply with Health Science Center branding guidelines. Use of the P-Card for promotional items is not allowed without an approved and authorized exception.

- ✓ Use 037-78 in ePro for Promotional Items-Local Funds

### **► PROPRIETARY PURCHASES**

Proprietary purchases normally refer to products manufactured under exclusive rights derived from a trade name, patent, copyright, or other legally protected right. Products will be considered as proprietary if they have a distinguishing feature or characteristic that is not shared or provided by similar or competing products. One of the most common proprietary features is its compatibility with existing equipment. Another is that the product will provide utility not available from other products. Services are considered proprietary if no other company can provide the scope of work required such as for an authorized representative or response time.

**It is important to note that you are not required to justify your needs; but you are required to justify why a proprietary item is required to meet those needs.** As an example, a department requesting computers does not have to explain why computers are needed. But if a particular brand is specified, then the department must explain why that particular brand is required to meet its needs.

The department must decide when to use proprietary specifications. In order to justify the use of proprietary specifications, do the following:

1. Analyze the needs of the department to see if alternate specifications would serve the department's need and allow competition among other products.
2. Review similar products and be sure that they do not meet the department's need.

After making this two-step analysis, if it is determined that department requirements limit the bidding to one manufacturer, one product, or one service provider, the department must provide a

written justification for these requirements. The form is available on the BSC Purchasing website at <http://bsc.untsystem.edu/Forms>

The justification must include the following:

1. The operational features or functions proprietary to the item(s) or service(s). (These must also be listed within the item descriptions or specifications.)
2. Explanation of the need for the specifications outlined in the requisition.
3. The reasons competitive products or services are not satisfactory.

It is the responsibility of Purchasing to ensure that all justifications meet the legal requirements. The justification must be approved by the Director of Purchasing or the Director's designee and retained in the file for post payment audit. Please contact Purchasing if you have any questions.

### ► PUBLICATIONS AND MULTIMEDIA

The State of Texas has a contract in Class 715 for preprinted materials and electronic and recorded multimedia including multi-language (specifically Spanish and Asian). If you determine that the contract offers the best value, submit an ePro requisition. Include the CPA Contract Number 715-N1, Commodity Code Numbers (Ex: 715-10-40), and vendor's discount as listed on the contract.

Preprinted publications and audiovisuals are allowable purchases on the Purchasing Card, and the Purchasing Card should be used if you are not ordering from state contract.

If using a requisition, submit the ePro requisition following the proper procedures per the dollar amount. If the items are available only from the publisher, literature showing price support may be electronically attached to your requisition or submitted to Purchasing with a Transmittal Form. See **Direct Publications**. If the publication/audiovisual is available through distributors or if no price support is available, a phone bid must be secured for current pricing. All publication orders should include the following:

- Title of the publication
- Author's name
- Publisher/Producer
- The International Standard Book Number (ISBN), if available
- Net price; include the list price and discount in the description or in a line comment

### ► PURCHASES FOR PERSONAL USE

The Health Science Center does not make purchases of merchandise for resale to employees or permit personal purchases with departmental or project funds.

The Health Science Center's letterhead shall not be used for ordering personal items to be paid for by an individual.

Use of state postage for personal use is prohibited by Texas law.

## ► PURCHASING CARD

Use the Purchasing Card for items under Cardholder's Single Purchase Limit unless restricted; i.e., airlines, hotels, restaurants, animals, awards, consulting/professional services, postage, or radioactive materials.

The Purchasing Card program is offered to simplify the way in which you order and pay for some goods and selected services. The Purchasing Card contract was specified and awarded by the Texas Comptroller of Public Accounts for the State of Texas, and UNTHSC must comply with the terms and conditions of this state contract. The program is not intended to avoid or bypass appropriate purchasing or payment procedures and approval processes.

Cards are issued in an employee's name and not to a department. Only the person whose name is on the card may use that card. Each DeptID Holder and cardholder will be held responsible and accountable for the appropriate use of the cards.

The Application Guidelines are as follows:

- Any full-time benefits eligible employee delegated authority by a department head or project director with signature authority may obtain a card.
- Approvers must be senior to the cardholder or not be directly supervised by the cardholder.
- The cardholder cannot be the approver for payment of his/her own purchases.

The card may be used for purchases of non-restricted commodity goods costing less than the cardholder's single purchase limit. Examples include: Office supplies, registrations, research supplies, subscriptions, small office equipment, and computer supplies. The card may not be used for purchases of restricted items or to purchase from restricted vendors. See the *Procurement Card Program Guide* for lists of restricted vendors and items.

Each department is encouraged to have at least one cardholder to expedite small dollar and emergency transactions for non-restricted items. If you would like to add additional cardholders for your department or if you have a question regarding the program, please contact the Procurement Card Administrator at Ext. 2679.

## ► PURCHASING CONTRACT ADMINISTRATION

Contracts, which involve the obligation of UNTHSC funds, must be reviewed by the appropriate Purchasing staff members for compliance with applicable statutes and with the *University of North Texas System, Regents Rule 03.900 Delegation of Authority for Contracts and Agreements* prior to their submission for signature by those with authority to sign such documents for the University. All proposed contracts involving expenditures should be attached to a requisition and submitted to Purchasing for handling via the electronic purchasing system. Purchase orders involving contracts will not be issued until the contract is properly executed and signed.

## ► RADIOACTIVE MATERIALS

Only faculty listed on the institutional radioactive materials license may purchase radioactive materials. The purchasing process is described in the institutional radiation safety manual, available to all authorized faculty. See **Hazardous Materials, Controlled Items, and Radioactive Materials** and the Safety Office web page.

Radioactive materials must be ordered through Purchasing, not on a Purchasing Card. When submitting an ePro requisition, include the symbol for the isotope being ordered (e.g. 32-P) and the radioactive quantity (e.g. 250uCi) in the description of the item.

The information listed below must be entered in Justification/Comments on the requisition.

### **RADIOACTIVE**

#### **NOTE TO CR: Call Safety Office to pick up from Central Receiving**

ePro requisitions with the proper category code are automatically routed to the Safety Office for approval. In order to have your requisitions for radioactive materials routed automatically to the Safety Office, use one of the following category codes in ePro:

- ✓ 115-15 Radioactive Chemicals
- ✓ 193-84 Radioimmunoassay (RIA) Kits

## ► RECEIVING REPORTS

Receiving reports indicate that merchandise has been received and they initiate payment procedures. By signing the receiving report, the department acknowledges that all material has been received as ordered and that it is in good condition. If there is a discrepancy, Central Receiving must be notified within 48 hours. Signature also constitutes invoice approval unless Payment Services is notified within 48 hours to hold payment.

When a vendor delivers goods directly to the user, the user must notify Central Receiving immediately. Send an email to "HSC Receiver Request Office" ([receiver@unthsc.edu](mailto:receiver@unthsc.edu)).

For services, departments are responsible for sending an email to the "BSC Payments" ([payments@untsystem.edu](mailto:payments@untsystem.edu)). Payment Services documents the receipt in the Voucher tables in EIS.

[A receiving report issued by Central Receiving is not necessary for an order covering the following items:](#)

- After-the-fact orders
- Software license when only item on order

State law prohibits the use of state resources for personal use. Therefore, use of the Health Science Center address, including Central Receiving, for receiving personal mail and packages is prohibited.

## ► RECIPROCITY

State statutes require that bids from bidders that reside in states that grant resident bidder preference for that state's purchases must be reciprocated in the same manner when bidding against a Texas bidder. In other words, the State of Texas will respond in kind or reciprocate to preferences made by other states.

The methodology for bid evaluation of bidders, who reside in a state that has resident preference law, to reciprocate by adding a residency penalty to the bid for evaluation purposes only. This penalty is equal to the percentage a Texas bidder would have to underbid a resident bidder in a preference state to receive an award in the preference state.

Example: Another state gives its in-state bidders a 10% advantage on a certain commodity. In effect, this would penalize a Texas bidder 10% when bidding in that state. Consequently, we would add the same 10% penalty to any of those states' bidders when bidding in Texas for the same commodity or service.

The CPA annually publishes, in the Texas Register, a list of states' preferences. The CPA also provides the list on the website and updates it as changes occur.

For List of States with Resident Bidder and Reciprocal Preferences, see [http://www.window.state.tx.us/procurement/pub/manual/Resident\\_Bidder\\_Preference\\_List\\_02-09-07.pdf](http://www.window.state.tx.us/procurement/pub/manual/Resident_Bidder_Preference_List_02-09-07.pdf)

For Statutory Citation Chart – States with Resident Bidder and Reciprocal Preferences, see [http://www.window.state.tx.us/procurement/pub/manual/Resident\\_Bidder\\_Citation\\_Chart2009.pdf](http://www.window.state.tx.us/procurement/pub/manual/Resident_Bidder_Citation_Chart2009.pdf)

Contact Purchasing if you have any questions regarding the current list of states giving preferences.

## ► REFUNDS FROM UNTHSC FUNDS

Refunds for payments made to the Health Science Center, except for those related to student class registrations or withdrawals, are processed through Payment Services. These are considered a reduction to revenue and should not be submitted on an ePro requisition.

If you have any questions regarding refunds, please call Payment Services.

## ► REGISTRATION FEES

Payment of registration fees and related expenses for state employee training and for seminars and conferences attended by state employees and officials are an allowable purchase on the Purchasing Card. Except for registrations on Texas Advanced Technology Research Program funds, which appear in the G352XX, G354XX or RS9001-RS9499 range, the Purchasing Card should be used. Registrations on these funds must be submitted to Purchasing with an ePro requisition.

- ✓ Use category code 963-64 when using an ePro requisition for Registration Fees.



Any other registration not being processed on the Purchasing Card must be prepared on a requisition form and submitted directly to Payment Services rather than being sent to Purchasing. The form is available on the BSC website at <http://bsc.untsystem.edu/Forms>

### ► REIMBURSEMENT TO DEPTID HOLDERS (NON-TRAVEL)

DeptID Holders must have their supervisor's approval for reimbursements to themselves. Reimbursements to DeptID Holders cannot be processed without the additional approval.

This approval may be obtained through the EIS ePro system by the ePro coordinator inserting the Ad Hoc approval prior to submitting the requisition. In this case, the approval should be added after the "Department Manager" (DeptID Holder) in the Workflow on the Confirmation page. The alternative is for the department to obtain approval in the form of an email and to electronically attach it to the requisition.

The category code used on the ePro requisition should be related to the item(s) purchased.

### ► REIMBURSEMENT TO EMPLOYEES (NON-TRAVEL)

Employees should **not pay** out of pocket expenses and expect reimbursement from UNTHSC. Approved purchase procedures should be followed because not all requests for reimbursements can be approved. See **After-the-Fact Orders** for additional information.

However, if an emergency situation occurs that necessitates the employee purchasing goods for reimbursement by UNTHSC, the following rules will apply in order to obtain reimbursement:

- Employees MUST follow all purchasing regulations required of the particular type of purchase and fund source being used.
- Employees will be reimbursed for sales tax only for off-campus business meals on local department ID's.
- Due to tax implications, employees will not be reimbursed for payments to an independent contractor.
- Employees will be reimbursed for payments to individuals for services, regardless of the source of funds, only if a true emergency exists.
- Reimbursements should be requested within 60 days from the date expenses were incurred. Purchases made in July and/or August should be submitted for reimbursement not later than 30 days after UNTHSC's fiscal year-end, August 31, so that the expenditures can be charged to the appropriate fiscal year. Under IRS regulations, expense reimbursements that are not made to an employee within a reasonable period of time (60 days) may be reported as income on the W-2 and subject to withholding and all payroll taxes.
- Explicit receipt documentation will be required which will serve as an invoice from the employee, and the individual receipts must have all the attributes of a standard invoice. Proof of payment will also be required. Copies of receipts may be submitted electronically with the ePro requisition.
- Food procedures must be followed for food related reimbursements. Exorbitant

expenditures for food may be reportable to the IRS as income. See **Food Purchases**.

- The purpose, and reason for the emergency expenditure, must be included on the requisition in Justification/Comments or attached.
- This procedure does not pertain to employee travel items. See the Travel website.
- This procedure does not pertain to student refunds, unless it is a reimbursement for items purchased on behalf of UNTHSC and the student is also an employee.
- If a non-employee purchases something on behalf of UNTHSC, the reimbursement should be filed on a purchase order. All items above apply except/or in addition to the following:
  - If tax issues are involved, the filing will be accomplished on a 1099.
  - A statement explaining why the non-employee made a purchase for UNTHSC will be required.

This procedure does not apply to refunds for items an employee or individual has paid to the Health Science Center.

### ► RENTAL OF MACHINES AND EQUIPMENT

Rental for some equipment is handled through the CPA if it is available on State Term Contract. Some examples are photocopiers and mailroom equipment. Rental involving the use of state or local funds for equipment not on term contract must be handled according to the same rules governing the purchase of materials.

For state and local funds, purchase order procedures with one phone bid will apply to rentals less than \$5,000 for the entire rental period. If the total for the entire rental period is over \$5,000, submit a requisition and Purchasing will process using informal or formal bidding procedures. If the service is competitive, leave the vendor field blank and mark all lines RFQ. Include information regarding the reference vendor in Justification/Comments. If the service is proprietary, choose the appropriate vendor and include the proprietary justification as an electronic attachment or submit with a Transmittal Form.

We recommend that the requisition be submitted to Purchasing four (4) to seven (7) weeks before it is desired to have the rental begin and have the equipment in place when needed. Include the following information:

1. Complete description of the equipment or machinery
2. Period the rental is to cover (start and end dates)
3. Reference previous purchase order number, if applicable
4. Location where the equipment or machinery is to be placed

Rental cannot be paid for any period prior to the beginning date shown on the order or after the expiration or cancellation date of an order. Do not accept any equipment or machinery from a vendor under a rental agreement until you are notified by Purchasing that an agreement has been approved.

In ePro, search for category code by “contains rental” or “contains rental/lease”. Examples for rentals include the following:

- ✓971-02 Rental-Recreation Facility
- ✓971-05 Rental-Booth, Convention/Exhibits
- ✓971-55 Rental/Lease of Parking Spaces
- ✓971-65 Rental-Conference/Seminar Room
- ✓977-25 Rental Food Service Equipment
- ✓981-12 Rental-HVAC Equipment
- ✓981-16 Athletic Equipment Rental
- ✓981-43 Generator Rental or Lease
- ✓981-52 Rental-Meeting Room Equipment
- ✓983-38 Rental-Janitorial Equipment
- ✓983-64 Rental-Robes, Caps, Gowns
- ✓983-86 Rental-Uniforms
- ✓984-57 Power Supplies Rental or Lease

### ► REPAIRS, EQUIPMENT

Repairs of equipment not covered by service or maintenance agreements must have a purchase order issued before the equipment can be repaired on campus, taken to a local dealer, or shipped to a vendor for repair. Orders under \$5,000 can be processed with one phone bid. For orders over \$5,000, we must attempt informal or formal bids depending on the dollar amount. If one manufacturer or exclusive distributor is the sole repair source, attach a proprietary justification with complete details.

**NOTE:** State and local funds can be used to repair only items owned by the Health Science Center.

When submitting a requisition for a repair of any kind, furnish the following information:

1. Manufacturer of the equipment
2. Model number
3. Serial number
4. UNTHSC tag number or state “No tag”
5. Building and room number of equipment location
6. Departmental contact person and phone number
7. Itemization of parts and labor
8. "Internal repair" statement, if applicable (Internal inspection required to determine extent of needed repairs.) See information that follows on [Internal Repair Purchases](#).
9. Description of problem
10. Estimated cost
11. Purchase order number used when equipment was purchased, if available

**NOTE:** If the item being repaired is an accessory to a major piece of equipment and does not have model, serial, and tag numbers of its own, provide these numbers from the equipment to which it is an accessory.

On-Site Repair: The service person comes out to your department to repair the equipment.

1. Submit a requisition with information as shown above.
2. State type of repair: warranty, upgrade, calibration, overhaul, etc.

3. If amount of repair could exceed budget or amount that would make replacement a better alternative, add "NOTE TO VENDOR: Not to exceed (amount of purchase order) for repair services unless prior authorization is provided by the Purchasing Department."
4. If repair that does exceed estimate is approved, a Change Order will need to be processed.
5. Submit receiving information to Payment Services Office.
6. If the vendor leaves an invoice with the department, note the PO # on it and forward it to Payment Services immediately.

Off-Site Repair: The equipment is shipped or hand-carried to the vendor for repair to be made and is returned to UNTHSC.

1. Submit a requisition with information as shown above.
2. State type of repair: warranty, upgrade, calibration, overhaul, etc.
3. Add note to Purchasing in Justification/Comments requesting it be processed as a "Will Call."
4. Ship or hand carry equipment and vendor copy of purchase order to vendor.
5. If item is to be delivered or picked up by the department, this must be noted on the requisition.
6. If item is to be shipped, contact Central Receiving.
7. If amount of repair could exceed budget or amount that would make replacement a better alternative, add "NOTE TO VENDOR: Not to exceed (amount of purchase order) for repair services unless prior authorization is provided by the Purchasing Department."
8. If repair that does exceed estimate is approved, a Change Order will need to be processed.
9. Submit receiving information to Payment Services Office.
10. If the vendor leaves an invoice with the department, note the PO # on it and forward it to Payment Services immediately.

Warranty Repairs: If the equipment is still under warranty and repairs will be made at no charge, but it must be shipped or taken to a vendor for repairs, follow the guidelines below.

1. Contact Central Receiving and identify the purchase order number used to purchase the equipment.
2. Property Control must see the equipment in order to identify the Health Science Center tag numbers and serial numbers before the item is shipped or taken from campus. This ensures that any exchanges done by the vendor without the agency's knowledge can be identified. Property Control will also be able to have the correct serial numbers and be able to re-tag the equipment after the item is returned.

Internal Repair Purchases: An internal repair is a repair to state-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 are usually the result of an unexpected, basic service outage. For example, the unexpected failure of a building's air conditioner may result in unanticipated repair to electrical circuitry, which would constitute an internal repair. Internal repairs must contain labor and may also include parts.

Internal Repair Purchases:

1. Add "Internal Repair" to Justification/Comments.

2. To limit the institution's liability, include the following on the purchase order: "Not to exceed (*amount of purchase order*) for repair services unless prior authorization is provided by the Purchasing Department."
3. Competitive award is not required for an internal repair.

### ► REQUEST FOR QUOTE

Request for Quote (RFQ) refers to a check box on the requisition line in EIS eProcurement that determines how a requisition is processed. When a requisition exceeds \$5,000.00 and the product or service is biddable, the department must leave the vendor blank and check the RFQ box on each line of the requisition.

### ► REQUESTS FOR CORRECTIONS ON PURCHASE ORDERS

Requests for cancellation, deletion, or modification of purchase orders must be made to the Purchasing Department in writing. Submit an email to the "BSC Purchasing" ([purchasing@untsystem.edu](mailto:purchasing@untsystem.edu)).

### ► REQUISITIONS FOR SUPPLIES AND EQUIPMENT

Requests for supplies, equipment and services, including repairs to buildings and equipment, must be submitted on the official requisition form and approved by the authorized budget administrator or designee. Requisitions are actual obligations of departmental funds and they must show the actual or estimated cost.

### ► RESEARCH PARTICIPANT PAYMENTS

Cash and gift cards may be used to make payments to individuals for participation in various research studies on grant or other local funds.

For gift cards, departments must process an ePro requisition to the vendor from whom the cards are to be purchased. To request cash for research participant payments, departments must process an ePro requisition with UNTHSC as the vendor. In the justification, state the name and telephone extension of the individual designated as custodian of the cash/gift cards. The custodian must be a full-time benefits eligible employee who will be designated as the responsible party for the custody of the cash/cards at all times.

Generally the maximum value of cards to be purchased or cash to be received at one time is \$500, and the disbursement period should be no longer than three (3) months. If additional cards/cash or time are needed, use 2 or more lines on the requisition.

The custodian will be notified when a check is available at the Cashier's Office. They must present proper identification to the cashier, sign a Research Participant Custodial Agreement, and store the cash/cards at the location listed on the Research Participant Custodial Agreement. Detailed instructions will be given to the custodian by Payment Services at the time the check for the cash/cards is processed.

Custodians are required to maintain a Research Participant Disbursement Log as the cash/cards are distributed. The original Research Participant Disbursement Log must be submitted to Payment Services at the end of the disbursement period or periods to serve as supporting payment documentation for expensing the funds disbursed, i.e. to serve as receipts.

A Confidential Research Participant Disbursement Log will be used by the department to assist in the assignment of confidential ID numbers for anonymous participants who are receiving cash/gift cards. The PI must retain the confidential log at the department level per the record retention requirements of the grant or contract and must make it available for all approved audit purposes.

At all times the total value of the cash or gift cards being held and the value of the payments on the disbursement log must equal the amount of the Purchase Order or the Purchase Order line used for the disbursement.

- ✓ Use category code 961-99 for Research Participants when using grant funds.
- ✓ Use category code 962-99 for Research Participants when using non-grant funds.

### ► RESEARCH RELATED PRODUCTS AND SERVICES

State funds may be used to support general research. Once a project has been awarded and assigned a UNTHSC ProjID number, state funds may no longer be used for anything related to the project. The ProjID or other appropriate local funds must be used.

### ► RESTOCKING CHARGES

If the return of materials or cancellation of a purchase orders is requested through no fault of the supplier, the supplier may assess a restocking charge or cancellation fee and expect the ordering department to absorb the cost of the return freight. Charges or fees of 15% or less of the original cost of the materials are generally considered reasonable. Restocking fees greater than 15% must be approved by the Vice President for Finance. If you have a situation where a vendor insists on an amount greater than 15%, do not obligate the institution by agreeing to pay. Contact Purchasing for assistance. See **Return of Materials** for additional information.

### ► RETURN OF MATERIALS

Upon receipt of an item, Central Receiving makes only a cursory inspection for obvious shipping damage. The final acceptance or rejection of merchandise is the responsibility of the using department, who upon receipt must immediately inspect the interior for damage. If there is a discrepancy, Central Receiving, Purchasing, and Payment Services must be notified within 48 hours.

If items do not meet specifications according to the purchase order against which the items were received, email the "HSC Purchasing Office" ([purchasing@untsystem.edu](mailto:purchasing@untsystem.edu)) immediately and state the discrepancies. Purchasing will contact the vendor regarding the immediate problem with the shipment. After resolving the problem with the vendor, Purchasing will notify the using

department and Central Receiving by email with specific instructions to be followed. Please wait for instructions from Purchasing before taking items to Central Receiving.

If incorrect items were ordered, email the Purchasing Office and report the problem. Purchasing will contact the vendor for permission to return the item(s). Agreement from the vendor to accept a return is not automatic. If the vendor agrees to the return, Purchasing will notify the using department and Central Receiving by email with specific instructions to be followed. A restocking charge or fee may be required and will be charged to the requesting department. Purchasing will also process a change order to cancel the item. The department is then responsible for submitting another order for the correct item.

For orders under \$5,000.00, the department should contact the vendors directly regarding return of items. If the vendor agrees to the return, email the Purchasing Office and Central Receiving at "HSC Receiver Request Office" ([receiver@unthsc.edu](mailto:receiver@unthsc.edu)) so that the actual return of the item can be coordinated. Payment Services must be notified so that payment is not made for an item being returned or cancelled.

The following guidelines must be followed when contacting a vendor regarding return of items:

1. Secure the full name of the vendor representative giving permission.
2. Secure return authorization number. This number allows the vendor to track the item when it is returned. Most vendors use some type of return authorization number; however, a few do not.
3. Secure "ship to" address. This may be a different address than the purchase order address.
4. Clarify who will pay freight and which carrier is to be used. Generally, if the vendor shipped the item in error, the vendor will pay for return shipping. If the vendor has agreed to accept an item back that was ordered in error, the department will usually be responsible for return shipping charges.
5. Clarify if there will be a restocking charge. See section on **Restocking Charges**.
6. Send an email message to Purchasing at "HSC Purchasing Office," to Payment Services at "HSC Accounts Payable Office," and Central Receiving at "HSC Receiver Request Office." Include all of the above, the P.O. number, and any special instructions for shipping. If UNTHSC is paying for the freight, include which DeptID is to be charged.
7. If the item or the entire purchase order against which the items were received needs to be cancelled, include instructions in the email regarding the return.

If the vendor agrees for the item(s) to be replaced, follow these guidelines:

1. Follow steps 1-7 as outlined above.
2. Confirm with the vendor when you can expect replacement shipment.
3. Include expected delivery date in email regarding the return.

## ► ROYALTY PAYMENTS

Royalties to Health Science Center employees or prior employees are payable per the terms of the contract. Usually these payments are for intellectual property distributions.

- ✓ Use category code 977-99 in ePro for Intellectual Property Distributions.

## ► RUSH PROCEDURES

If your department has a situation when a product or service is needed immediately, yet it is not an “Emergency” order, the coordinator should add “RUSH” on the first line of the Justification/Comments section and include specific details such as when the product/service is needed, etc.

If the time frame is very short, the coordinator should also send an email to all applicable approvers including the DeptID Holder, Lab Animal, Grants, UNT Health, “BSC Purchasing” ([purchasing@untsystem.edu](mailto:purchasing@untsystem.edu)), etc. to notify them of the situation. **NOTE:** “Rush Req #XXXXX” should be the subject line of the email.

The coordinator should also monitor the requisition in “Manage Requisitions” and call the approver if the requisition is not approved in a short time. The requisition will be a priority for the buyer in line with institutional priorities. See **Almost Emergencies** in **Emergency Orders** section.

## ► SAFETY OFFICE APPROVAL

Approval of the Safety Office is needed for several products and equipment. The vast majority of the required purchase requisition approvals involve the purchase of radioactive materials. See **Radioactive Materials; Hazardous Materials, Controlled Items, and Radioactive Materials**; and the Safety Office web page.

The purchase of all X-ray producing devices, Class III (b), IV, V lasers require prior approval by the Safety Office. The Department of State Health Services, Bureau of Radiation Control regulates these devices. The sale or transfer of these devices is also regulated. Departments wishing to sell or dispose of these devices must contact the Safety Office.

Departments wishing to purchase ladders need to specify Type IA, extra heavy duty, ladders in the purchase requisitions. These ladders cost a bit more, but they hold up much better and are safer to use.

The purchase of fork lifts, motorized pallet jacks and explosive actuated tools need prior approval by the Safety Office. Generally, only Facilities Management and Central Receiving use these items.

In order to have your requisition routed automatically to the Safety Office, use one of the ePro category codes listed below. If not covered by one of these codes, the ePro Coordinator must insert the Ad Hoc approval to one of the Safety Office staff after the DeptID Holder approval.

- ✓ 320-55 Explosive Actuated Tools and Supplies
- ✓ 450-52 Ladders, Climbing
- ✓ 490-96 X-Ray Diffraction and Electron Diffraction Equipment
- ✓ 560-75 Fork Lift, Powered
- ✓ 560-78 Pallet Truck: Hand Operated and Powered
- ✓ 898-80 X-Ray Machines (Diagnostic) and Accessories



## ► SAFETY STANDARDS FOR ELECTRICAL ITEMS

The state may not purchase an electrical item unless the item meets all applicable safety standards of the Federal Occupation Safety and Health Administration (OSHA). Items purchased on purchase orders must be UL listed and be used for their intended purpose.

## ► SAMPLES

Unless otherwise specified, all samples submitted by vendors will be at no cost to the Health Science Center and will become the property of the center upon receipt. Upon specific request of the vendor, samples will be returned at the vendor's expense. UNTHSC reserves the right to subject such samples to tests and inspections as are deemed necessary and does not guarantee that samples returned to the vendor will be in the same condition as when submitted.

## ► SIMULATED PATIENT PAYMENTS

Cash may be used to make payments to simulated patients. Submit an ePro requisition with UNTHSC as the vendor. The amount of cash requested at one time should be limited so that the disbursement documentation is more manageable. Include the amount of cash needed for each event or disbursement date and the purpose of the funds. In the justification, add the name of the individual designated as custodian of the cash and their telephone extension.

The custodian must be a full-time benefits eligible employee who will be designed as the responsible party for the custody of the cash at all times. They will be notified when the check is available at the Cashier's Office. The custodian must present proper identification to the cashier, sign a custodial agreement, cash the check with the cashier, and store the cash at the location listed on the custodial agreement.

The custodian will distribute the money to the simulated patients and each person receiving payment must sign a disbursement log. The custodian must return the original signed log to Payment Services at the end of each event or disbursement date to serve as supporting payment documentation for expensing the funds disbursed, i.e. to serve as receipts.

The exceptions for this process are:

- The department pays less than five (5) individuals a week. (This would allow areas that rarely use the process to use purchase orders instead of handling cash.)
- The department is making payments of \$100 or more to individuals.
- ✓ Use category code 961-45 for ePro requisitions for Simulated Patient Payments.

## ► SMALL REPETITIVE ORDERS

Small repetitive orders should be increased in quantity and decreased in frequency so that suppliers are not continually asked to handle transactions which are unprofitable. Frequent small orders are also costly to the Health Science Center as a result of increased handling by the department, Purchasing, Central Receiving, Payment Services, Accounting, and Property.

## ► SPECIFICATIONS

A specification is a detailed description of a product or service a purchaser seeks to buy, and consequently, a description of what a bidder must offer to be considered for an award. Specifications, then, are the primary means of communication between the Health Science Center and a vendor.

Specifications are important because they control:

1. Quality level of the product or service,
2. Amount of competition,
3. Suitability of the product or service for the job to be done, and
4. Method of evaluation used in making an award and in determining the effectiveness of the purchase.

Characteristics of a successful specification:

1. **Simple:** Avoid unnecessary detail, but be complete enough to ensure that requirements will satisfy their intended purpose.
2. **Clear:** Use terminology that is understandable to purchasing and to vendors. Correct spelling and appropriate sentence structure help eliminate confusion. Spell out technical words that are symbols (degree, Ohm, etc.).
3. **Accurate:** Use units of measure that are compatible with industry standards. All quantities and packing requirements should be clearly identified.
4. **Competitive:** Identify two or three commercially available brands, makes, or models (whenever possible) that will satisfy the intended purpose. Avoid unnecessary "extras" that could reduce or eliminate competition and increase costs.
5. **Reasonable:** Avoid unnecessary precision in stating measurement or standards since this can easily cause unnecessary expense. Unreasonable delivery requirements could also reduce or eliminate competition and increase cost.
6. **Flexible:** Avoid totally inflexible specifications that may prevent the acceptance of a bid that could offer greater performance for fewer dollars.

Specifications should provide a clear and accurate description of the technical requirements for the merchandise or service to be purchased. They must be clear and understandable to Purchasing and the bidders. They must permit maximum competition between products of equal quality.

Descriptions may include a statement regarding the qualitative nature of the purchase and should identify minimum essential characteristics and standards to which the purchase must conform if it is to satisfy its intended use. "Performance" specifications may be written when minimum functional requirements can be identified. "Design" specifications may be written where minimum mandatory design performance and design specifications may be used when appropriate. Avoid detailed product specifications when possible.

When it is impractical or uneconomical to make a clear and accurate description of technical requirements, a "brand name or equal" description may be used to define the level of quality and performance required. In addition, the specification should name the salient features and characteristics that all products must meet to be considered for an award. To give an example of the desired quality of the intended purchase, refer to a brand and model or a manufacturer's number followed by the words "or equal". When "brand name or equal" specifications are used, award may

be made on a brand other than that specified provided it is the low bid, meets the specifications, and is functionally equal to the brand specified.

Proprietary Specifications: When department requirements for purchasing items or services limit the bidding to one manufacturer, one product, or one service provider, the department must provide a written justification. See **Proprietary Purchases**.

## ► SPONSORSHIPS, COMMUNITY SERVICE, AND COMMUNITY SUPPORT

Payments for sponsorships, community service, and community support may only be made with local funds. In the Justification/Comments include a statement as to how the payment benefits the Health Science Center.

- ✓ Use category code 999-06 in ePro for Community Service/Sponsorship/Support.

## ► STANDING PURCHASE ORDERS

A standing order is a repetitive order for a fixed quantity on a specified delivery schedule over a specified period of time. To request the initiation of a standing purchase order, submit a properly completed requisition and include the additional information listed below. These cannot extend past the fund's ending date.

1. Proposed effective start and end dates not to exceed one fiscal year's duration (September 1, 2XXX to August 31, 2XXX)
2. Expected total amount to be spent during the proposed period
3. Schedule of delivery to include:
  - a. Specified delivery time schedule
  - b. Fixed quantity to be delivered
4. Purchase order number on previous requisition (if applicable, for renewals only)
5. Statement: "30 day written notice of cancellation by either party will void this purchase order"

## ► STATUS OF PURCHASE ORDERS

Use the Life Cycle under ePro "Manage Requisitions" to track the status of requisitions and subsequent purchase orders. If you do not know the requisition number, search by the purchase order number in the "PO" field in the upper right hand corner of the "Manage Requisition" page.

If delivery has not been made on orders under \$5,000, contact the vendor directly regarding status of delivery. Please be sure to give the vendor the entire purchase order number; i.e., HS763-0000012345, and the purchase order date. Also, make it clear to the vendor that you are checking on the status of an existing order and that they are not to duplicate the order. If the vendor indicates that they have no record of the order, contact Purchasing and give us the name of the individual you spoke with and the date of the conversation. We keep confirmation pages for all the orders that are faxed and will be glad to contact the vendor.

For orders over \$5,000, the department should send an email to the "BSC Purchasing" ([purchasing@untsystem.edu](mailto:purchasing@untsystem.edu)). Please include the information listed below. The department will be

notified when status results are available. Status request turn around time is often dependent on response from the vendor(s).

1. Purchase order number
2. Date of purchase order
3. Vendor name
4. Item needing status
5. Description of product or service
6. Name and extension number of person requesting status

## ► SUBSCRIPTIONS

Subscriptions to magazines, newspapers, professional journals, educational and/or learned publications are, in general, payable from local or state funds, provided that the document remains on reference and as property of the Health Science Center. If state funds are used, the subscription must be in the name of the University of North Texas Health Science Center. Individual subscriptions are considered a personal expenditure and as such, are not payable from state funds. Individual subscriptions may be paid using appropriate local funds, if documentation is provided that indicates a savings by purchasing the subscription as an individual rather than as an institution; or if documentation is provided that indicates only individual subscriptions are available, and that the document remains on reference and as property of the department.

Subscriptions are allowable on the Purchasing Card and should be purchased with the Purchasing Card.

If the payment is processed on a purchase order, the department must submit a requisition. The description section must include the following:

1. Designate if it is a renewal or a new subscription.
2. If renewal, subscription renewal number.
3. Effective dates.
4. Mail to address. Subscriptions must be mailed directly to the department rather than to Central Receiving. Example of correct wording:

University of North Texas Health Science Center  
Attn: Dr. John Doe  
Department of \_\_\_\_\_  
3500 Camp Bowie Blvd.  
Ft. Worth, TX 76107-2699

An invoice or other official documentation from the vendor stating the subscription rate must be electronically attached to the order or submitted to Purchasing with a Transmittal Form. If paying with state funds, payment of a subscription cannot be made more than six weeks in advance, and the service length cannot be for more than two years. However, if the agency will receive a benefit from paying more than six weeks in advance, Payment Services may be able to submit the payment to the state. Please contact Payment Services regarding any payments on subscriptions.

Use the following category codes in ePro for subscriptions:

- ✓ 956-35 Internet Database Subscriptions

- ✓ 956-40 Magazine Subscriptions
- ✓ 956-60 Professional Journal Subscriptions

## ► SUBSTITUTIONS

Before a substitution is permitted, written approval must be obtained from the CPA on all CPA term contract orders. The Purchasing Department must approve any substitutions on purchase orders. Approval will not be granted unless substituted items are of equal or better quality and are offered at the same or lower price.

Call Purchasing for assistance if a vendor contacts you regarding a substitution or if you receive a substitution on any order.

## ► TEMPORARY PERSONNEL

Requests for temporary personnel must first be directed to Human Resource Services. If they are unable to provide someone from the Temp Pool, submit a requisition with the following information:

1. Hours to be worked; date to begin and end
2. Address or room number to which personnel are to report
3. Contact person and extension number
4. Skills that are required:
  - A. Computer skills (data input, word processing, speed, etc.), software used
  - B. Filing
  - C. Telephone answering; single line, etc.
  - D. Specialty skills: nursing experience, medical terminology, filling out forms (insurance), shorthand
5. Duties that will be performed
6. If using state funds, attach appropriate Contract Workforce form or submit with a Transmittal Form.

**NOTE:** The Health Science Center does not pay employment agency fees. See *Human Resources Policy 05.402, Procedures for Filling Vacant Positions, Section 13*.

- ✓ Use category code 962-69 in ePro for Personnel Services, Temporary.

## ► TEXAS ADVANCED TECHNOLOGY RESEARCH PROGRAM

The Texas Advanced Technology Research Program was created by the Texas Legislature in 1987 and is administered by the Texas Higher Education Coordinating Board. The Coordinating Board through a competitive process awards two-year grants. These grants appear within three (3) ProjID ranges: G352XX, G354XX or RS9001-RS9499. Orders on these ProjIDs must include the following exemption statement: "Exempt from CPA - Research in Higher Education; Chapter 823, HB 2181, 70th Leg, RS, (1987)".

## ► TEXAS COMPTROLLER OF PUBLIC ACCOUNTS (CPA)

The Texas Comptroller of Public Accounts (CPA) is the agency responsible for operating the state's purchasing program. The Texas Procurement and Support Services (TPASS) Division has a wide variety of functional areas to support state agencies in procuring goods and services and assisting vendors with how to do business with the state. Program areas include the Centralized Master Bidders List (CMBL), HUB Program, Texas Multiple Award Schedule (TXMAS), Vendor Performance Tracking, State Travel Management Program, and State of Texas Charge Card Program. For additional information, see their website at <http://www.cpa.state.tx.us>.

## ► TEXAS COMPTROLLER OF PUBLIC ACCOUNTS (CPA) TERM CONTRACTS

Texas Comptroller of Public Accounts (CPA) issues state contracts for use by all state agencies and institutions of higher education. On state funds, state contracts should be used if they offer the best value to the institution. See the CPA Master Index of all Term Contracts at:

[http://www.window.state.tx.us/procurement/contracts/all\\_term/index.php](http://www.window.state.tx.us/procurement/contracts/all_term/index.php).

Submit items on these contracts on an ePro requisition following the instructions of the contract as posted on the CPA website. Use the vendor listed on the CPA contract. Please contact Purchasing if you have any questions about State Term Contracts.

### ► **TEXAS INDUSTRIES FOR THE BLIND AND HANDICAPPED (TIBH)**

State agencies and institutions of higher education are required to support the state's efforts to gainfully employ persons with disabilities. We must give first consideration to products and services provided by persons with disabilities through the Texas Industries for the Blind and Handicapped (TIBH). The products and services they offer are reviewed and approved by the Texas Council on Purchasing from People with Disabilities and listed on TIBH's Online Product Catalog at: <http://www.tibh.org/catalog/index.php>.

- If a product is approved, it is set aside from competitive bidding and is put on a CPA term contract; and
- Purchases of services, approved by the Texas Council on Purchases from People with Disabilities, from the TIBH catalog do not require competitive bidding.

TIBH's pricing and availability must be checked first and items/services purchased as exceptions must be reported to the CPA monthly. If you have any questions regarding TIBH products and services, please contact Purchasing.

### ► **TEXAS MULTIPLE AWARD SCHEDULES (TXMAS)**

The TXMAS (Texas Multiple Award Schedule) Program adapts existing competitively awarded government contracts to the procurements need of the State of Texas. To be considered for the TXMAS Program, an existing contract must be:

- Awarded by the federal government or any other governmental entity in any state.
- Awarded using a competitive process.
- Adaptable to the laws of the State of Texas.

Each TXMAS contractor is required to produce a TXMAS vendor catalog. Vendor catalogs contain the information needed to place an order including item specifications, ordering procedures, invoicing procedures, and contact information.

Information regarding the TXMAS contracts is available on the CPA website at:

<http://www.window.state.tx.us/procurement/prog/txmas/>

### ► **TIPS**

An employee may be reimbursed for tips associated with official UNTHSC business and/or travel under the following conditions:

1. Payment/reimbursement is made from local funds. State appropriated funds may not be used for the payment/reimbursement of tips.
2. Amount of tips must be reasonable.
3. Receipt showing the tip amount is required. A copy of the receipt may be submitted electronically with the ePro requisition.

Contact Travel Services for questions on tips related to travel.

### ► **TRADE-IN OF EXISTING EQUIPMENT**

Requisitions requesting the purchase of new equipment may offer trade-in of old equipment of the same or similar type. The trade-in must be in the same category class and item as the new equipment requested. If you are requesting a trade-in, the following must be stated on the requisition as an individual item:

1. "Trade-in at state's option to be picked up by the successful bidder where is, as is."
2. Equipment must be fully identified as to the following:
  - A. Make, Model Number, Serial Number (if applicable)
  - B. UNTHSC property tag number
  - C. Age and condition
  - D. Location
  - E. Realistic estimate of the used equipment's current value
  - F. Contact person for question clarification

Proprietary purchases offering trade-in of old equipment must have acceptable justification. It is recommended that the old equipment be retained and not released to the vendor until the new equipment arrives and is accepted.

### ► **TRAINING AND DEVELOPMENT**

The Health Science Center may provide training and development programs related to either current or prospective duty assignments in three areas: in-service training programs, out of agency staff development programs, and internship training programs. See *Human Resources Policy 05.701 Training and Development*.

In-service training includes continuing training programs that are job oriented to equip an individual to properly perform assigned tasks, to develop additional work capabilities, or to increase his/her level of competence.

If a vendor will be providing training at the Health Science Center, submit a requisition following guidelines under **Lecturers**.

- ✓ Use category code 924-35 in ePro for Lecture, Training (Employees).

Generally, an employee is considered eligible for out of agency staff development training if they have the approval noted in the policy. Training off campus is handled as a registration or as tuition.



Fees for seminars, conferences, and training sessions (except for tuition to Institutions of Higher Education) are processed as registrations. See **Registration Fees** for more information.

If an employee will be participating in a college course (with or without academic credit) off campus at an Institution of Higher Education including a community college, the payment is handled as tuition. Submit a requisition and include a statement in Justification/Comments or attach a memorandum that includes the following:

- Verification as to whether the employee would still be on active duty. Any situations where the individual would not be on active duty will have to be reviewed by Human Resources.
- Statement describing why the training is necessary. This is needed to document why the payment would not represent a gift of state resources.
- Verification of the approvals per the policy.
- ✓ Use category code 924-86 in ePro for Tuition-Employee (Not to HSC).

For additional information on training, see Government Code 656.041, which is cited as the State Employees Training Act.

### **Tuition Payable to the Health Science Center**

Payments for tuition that will be made payable to the Health Science Center must be routed through Financial Aid instead of Purchasing. Please contact Financial Aid for assistance with these payments.

### **► TRAVEL**

Employee travel and travel for prospective employees are handled through Travel Services. Reimbursements for mileage and parking are also handled through Travel.

If you have any questions regarding travel, please call Travel Services at 2546.

### **► TRAVEL EXPENSES FOR SERVICE VENDORS**

Consultants, lecturers, speakers, or other non-employees who are paid for services performed are not eligible to use the state's travel contracts (airfare, charge card, rental car, and lodging). Please note that travel expenses incurred by consultants or non-employees are considered as normal service expenses and are not considered travel by the State Comptroller's Office. Any travel expenses to be paid to the vendor should be included on the requisition submitted to Purchasing and should be coded the same as the service.

On state funds, travel-related expenses for these vendors may not be made to third party vendors such as airlines, hotels, shuttle services, etc. If third-party vendors are to be paid, local funds must be used.

The vendor should pay for his/her own travel expenses and claim reimbursement for them after the service is complete. If you have any questions regarding payment for these services, please contact Payment Services.

### ▶ **UNT HEALTH FUNDS**

UNT Health must approve all purchase requisitions on UNT Health funds. Please contact UNT Health with questions regarding purchases on these funds.

### ▶ **UNAUTHORIZED PURCHASES**

The Health Science Center is obligated to make payment for goods and services only when the Purchasing Department, by issuing an order, obligates the funds. Any other commitments are considered as unauthorized purchases and the individual making an unauthorized commitment may incur a personal obligation to the vendor. "After the Fact" or "Confirmation Orders" sent to Purchasing after the fact, as a general rule, should be avoided. See **After-The-Fact Orders**.

In emergency situations, employees may be eligible for reimbursement on items personally purchased for the UNTHSC. See **Reimbursement to Employees (Non-Travel)** and **Reimbursement to DeptID Holders (Non-Travel)**.

### ▶ **UNIFORM POLICY FOR HEALTH SCIENCE CENTER FUNDS**

General policies concerning purchasing apply to all state and local funds of the Health Science Center and must be handled consistently in accordance with established fiscal policy.

### ▶ **UNITS OF MEASURE**

The list below includes the units of measure in the EIS system and their valid abbreviations.

<u>Unit of Measure</u>	<u>Description</u>	<u>Short Description</u>
AMP	Ampule	Ampule
AN	As Needed	As Needed
BAG	Bag	Bag
BD	Bundle	Bundle
BE	Bale	Bale
BOT	Bottle	Bottle
BOX	Box	Box
C	100	100
CA	Cartridge	Cartridge
CAN	Can	Can
CCF	Hundred Cubic Feet	Hundred CF
CE	Cone	Cone
CF	Cubic Feet	Cu Ft
CL	Coil	Coil
CN	Pail	Pail
CO	Container	Container

CRD	Card	Card
CS	Case	Case
CTN	Carton	Carton
CUF	Cubic Feet	Cu Ft
CWT	Cubic Weight	Cu Wt
CYL	Cylinder	Cylinder
D	500	500
DAY	DAY	Day
DOS	Dose	Dose
DOZ	Dozen	Dozen
DR	Drum	Drum
EA	Each	Each
EST	Estimate	Estimate
FT	Feet	Feet
GAL	Gallon	Gallon
GR	Gross	Gross
HR	Hour	Hour
IN2	Square Inch	Sq In
IU	International Unit	Unit
JAR	Jar	Jar
JUG	Jug	Jug
KIT	Kit	Kit
LB	Pound	Pound
LG	Length	Length
LIN	Line	Line
LTR	Liter	Liter
M	Thousand	Thousand
MO	Month	Month
OZ	Ounce	Ounce
PAD	Pad	Pad
PKG	Package	Package
PR	Pair	Pair
PT	Pint	Pint
QT	Quart	Quart
QTR	Quarter	Quarter
RL	Reel	Reel
RM	Ream	Ream
RO	Roll	Roll
SET	Set	Set
SF	Square Foot	Sq Ft
SH	Sheet	Sheet
SL	Spool	Spool
SVC	Service	Service
SY	Square Yard	Sq Yd
TON	TON	TON
TU	Tube	Tube
TY	Tray	Tray
ULD	Unit Load Device	Pallet
VI	Vial	Vial
WK	Week	Week
YD	Yard	Yard

YR

Year

Year

## ► USE OF CONSULTANT AND PROFESSIONAL SERVICES

A consulting service is defined by Texas Government Code, Chapter 2254 as “the human service of studying or advising an agency under a contract that does not involve the traditional relationship of employer and employee.” A state agency or institution may contract with private consultant only if:

- A. There is a substantial need for the service and:
- B. The agency cannot adequately perform the service with its own personnel or through another agency.

If the consulting service is reasonably foreseen to exceed \$25,000 for an institution of higher education during the term of the contract, including reasonably foreseeable renewals, the state agency will have pre-procurement and post-procurement oversight from the Legislative Budget Board (LBB) and the Governor’s Budget and Planning Office. The intent to contract and the award of the consulting contract must be published in the Texas Register (See **Consulting Services**), and requires approval of the agency head prior to publication.

Texas Government Code, Chapter 2254 specifically empowers each agency to purchase professional services under the Professional Services Procurement Act (See **Professional Services**). These procurements are exempt from the Comptroller’s review authority. Professional services means services:

- Within the scope of the practice, as defined by state law, of:
  - Accounting;
  - Architecture;
  - Landscape architecture;
  - Land surveying;
  - Medicine;
  - Optometry;
  - Professional engineering;
  - Real estate appraising; or
  - Professional nursing.
- Provided in connection with the professional employment or practice of a person who is licensed or registered as:
  - a certified public accountant (CPA);
  - an architect;
  - a landscape architect;
  - a land surveyor;
  - a physician, including a surgeon;
  - an optometrist;
  - a professional engineer;
  - a state certified or state licensed real estate appraiser; or
  - a registered nurse.

## ► USED EQUIPMENT

Departments should seek to purchase new equipment to meet their needs. However, under some circumstances the purchase of used or demonstrator equipment can be authorized with proper justification and documentation. Departments interested in purchasing used equipment should contact Purchasing for specific processing requirements for each contemplated purchase. Purchasing must approve all purchases of used equipment prior to an order being placed with a vendor.

If it becomes necessary for a department to secure used or demonstrator equipment due to the inability to purchase new equipment, or because of lack of adequate funds for new equipment, a requisition with the documents and data listed below must be submitted to the Purchasing Department.

1. Requisition fully describing the equipment.
2. Minimum of three (3) signed bids which have been properly prepared whenever possible. (Contact Purchasing for assistance.)
3. If only one bid is received, include a statement explaining why no competition exists.
4. Letter or signed statement from bidder(s) guaranteeing quality and condition of the merchandise offered.
5. Letter from DeptID Holder stating that the equipment or supplies have been personally examined.
6. Letter from DeptID Holder describing the condition and value of the equipment or supplies.

## ► VENDOR GUIDELINES

Sales representatives from companies and individuals doing business with the Health Science Center may contact you or other staff members in your department. These representatives can be a helpful source of information. They are expected to secure appointments and to conduct themselves in such a way as not to interfere with the operation of the center. If you receive unsolicited calls or visits from outside salespersons, please refer the individual to the Purchasing Department.

All commitments to purchase products or services must be made through the Purchasing Department. Do not commit yourself, your department, or the Health Science Center with any comments or by signing any agreements or contracts.

Please submit any quotations provided by sales representatives with your requisition, either electronically in ePro or with a Transmittal Form. These provide useful information; however, they do not eliminate the need to follow the required procedures for competitive bids when the purchase is over \$5,000.

Also, if you are getting quotes from multiple vendors on the same type of equipment, do not discuss the prices that have been offered. The sales representatives will ask you what someone else is quoting. Tell them you cannot discuss the other quotes. A quotation is *not* public information. After a bid is awarded, Purchasing can provide the bid tab results.

Equipment left by sales representatives on a "demonstrator" basis does not constitute a commitment to buy this equipment. Purchasing must be informed of any equipment left on campus by a vendor. See **Vendor Product Demonstrations**.

Occasionally, vendors will utilize unethical tactics by attempting to solicit business by phone, stating that they can offer you a great deal on overstocked or overshipped merchandise. They will take minimal information as a commitment to buy and will ship merchandise after a conversation with someone in the department. Should such a company contact you, refer them to the Purchasing Department for handling.

Vendors may not use campus facilities, including bulletin boards or inter-campus mail, to advertise their products or services.

**Equal Opportunity:** Vendors who do business with the Health Science Center are expected to be in full compliance with the Civil Right Act of 1964 and the Americans with Disabilities Act Amendments of 2008, whereby a contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex (including pregnancy), age, national origin, disability, veteran status or genetic information.

### ► **VENDOR PAYEE IDENTIFICATION NUMBERS**

If you are using a vendor who is new to your department, please take the time to verify with Payment Services that the vendor is set up in the EIS system as an approved vendor. If it is determined that the vendor does not have a valid state payee number, Payment Services will contact the vendor to obtain information to establish the number.

### ► **VENDOR PAYMENT INQUIRIES**

If vendors call your department with payment inquiries, please transfer them to Payment Services.

### ► **VENDOR PERFORMANCE**

**State Orders:** The Texas Comptroller of Public Accounts administers a Vendor Performance Program for use by all ordering entities. This program relies on the ordering entity's participation in gathering information on vendor performance. Consequently, they have requested agencies to provide input that will allow them to make reasonable judgments as to vendors' abilities to perform. The Health Science Center must report the vendor's performance on purchases over \$25,000 made through delegated authority granted by or from contracts administered by the CPA. We are also encouraged to report vendor performance for purchases under \$25,000. If you encounter problems with the performance of any vendor, document the problems and notify Purchasing in writing as soon as possible. Exemplary vendor performance is also an important matter for that vendor's file. Departments are encouraged to provide input regarding exemplary performance to Purchasing in writing and we will submit to the CPA.

**UNTHSC Orders:** Should you become dissatisfied with the services of a local contract vendor, document the problems and notify Purchasing in writing as soon as possible. The vendor must be given the opportunity to correct the problems. Once Purchasing has been notified, the vendor will be notified in writing. In most cases, the letter from Purchasing will detail the problems, list which department(s) is experiencing the problems, and include a copy of the complaint memo from the department. Usually the vendor will be required to contact the department to discuss possible solutions, and they will be given a date by which the Purchasing Office must have received a written response with proposed solutions. The vendor will also be given a specific date by which

problems related to the contract must be corrected. Should the vendor fail to respond within the allotted time or problems and complaints continue, Purchasing may cancel the contract and re-award the balance of the contract or re-advertise the service or blanket order for materials. Departments are also encouraged to notify Purchasing of exemplary vendor performance so that the information can become a part of that vendor's file.

### ► **VENDOR PRODUCT DEMONSTRATIONS**

Vendor's representatives may provide demonstrator equipment for the purposes of exploration/examination. This is done entirely at the option of the vendor and with no commitment by the Health Science Center. Departments wishing such displays and demonstrations should notify the Purchasing Department, and the appropriate buyer will help coordinate plans with the vendor. Items held on campus on a "demonstrator" basis do not constitute a valid sale.

Demonstrator equipment cannot be accepted in any instance if the Health Science Center advertises to purchase new equipment. **NOTE:** Standard terms and conditions for all bid documents require new equipment. In such a case, vendors will be required to remove the demonstrator piece of equipment that is left on campus and provide new equipment.

### ► **VENDOR PROTESTS**

Any vendor who is aggrieved in connection with the solicitation, evaluation, or award of a contract must follow the policy for vendor protests outlined in *Fiscal Management Purchasing Policy*.

### ► **VENDORS RECEIVING PAYMENT FOR PREPARATION OF SPECIFICATIONS OR REQUESTS FOR PROPOSALS**

State agencies may not accept a bid or award a contract that includes proposed financial participation by a person who received compensation for the agency to participate in preparing the specifications or request for proposals (RFP) on which the bid or contract is based. This means that a consultant or vendor, who was paid to help prepare requirements or specifications for a job, may not compete or be awarded a contract when the requirement is bid.

### ► **VISA FEES**

Visa fees for new hires and visa renewal fees for current employees are coordinated by Human Resource Services. These fees are subject to change. They may be paid with either state or local funds. After departments receive notification from Payment Services that checks to the Department of Homeland Security are ready, they must pick up the checks and take them to Human Resources to be mailed with the proper visa paperwork. Do not send any checks directly to USCIS (U.S. Citizenship and Immigration Services) as this will delay processing.

The current processing fees for the filing of the H1B on the Form I-129 petition are as follows:

- \$325.00 application fee for normal processing. Use vendor number 19212, Department of Homeland Security, U.S. Citizenship and Immigration Services (USCIS), 24000 Avila Road, Room 2312, Laguna Niguel, CA 92677.
- \$500.00 Fraud Prevention and Detection Fee must be sent as a separate payment. Use vendor number 19212, Department of Homeland Security, U.S. Citizenship and Immigration Services (USCIS), 24000 Avila Road, Room 2312, Laguna Niguel, CA 92677.

The current fee for filing of the H1B under Premium Processing I-907 is as follows:

- \$1225.00 Premium Processing Fee. Use vendor number 19212, Department of Homeland Security, U.S. Citizenship and Immigration Services (USCIS), 24000 Avila Road, Room 2312, Laguna Niguel, CA 92677.
- ✓ Use category code 963-55 in ePro for visa fees.

All legal services related to visa processing provided by a contracted outside attorney must be handled through the Office of General Counsel (OGC), and will be processed as follows:

- The department will be sent a UNT System Approval Form that must be signed and returned authorizing the payment. The payment will then be processed by the UNT System and sent to the contracted outside attorney.
  - The OGC will send the department a UNT System Invoice to use in reimbursing them for the payment made on their behalf.
  - After receiving the invoice, submit an ePro requisition and use vendor number 11429, University of North Texas System, Address 3 - Office of General Counsel. Add a note in Justification/Comments that payment is to SY769, OGC.
- ✓ Use category code 961-49 in ePro for Legal Services, Attorneys.

Human Resource Services will coordinate all payments regarding these services. If you have any questions, please contact Human Resources.

## ► WARRANTIES

The responsibility for ensuring the full benefit of a manufacturer's warranty lies with the department maintaining custody of the material. The department should maintain records on all warranted items including item description, manufacturer's serial number, UNTHSC property tag number, warranty period, and a copy of the warranty agreement.

The warranty period for most equipment begins when the material is delivered to the Health Science Center. This is standard with most vendors. The only exceptions may be in the area of fabricated equipment or where installation and calibration are a part of the original contract. In these instances, there is an acceptance clause that clearly indicates that the warranty is not to begin until the



equipment has been accepted by the Health Science Center per the terms and conditions of the contract.

Warranties may be for any period of time as stated by the manufacturer. Typical ones range from ninety (90) days to twelve (12) months. When material is delivered to your department, it is important for you to be aware of the warranty period. The equipment must be checked for operational flaws prior to the end of the warranty period. If this is not done, there is little that can be done for you should you encounter problems with the equipment. Therefore, it is imperative that departments check for concealed damage as soon as possible upon receipt of materials or equipment.

## ► WILL CALL

Will Call orders are used when the department will be responsible for getting the vendor copy of the purchase order to the vendor. These purchase orders are to be limited to the following:

- Orders for materials that must be picked up the same day from vendors who do not deliver;
- Orders for UNT Printing Services when the vendor copy needs to be sent with the materials to be processed;
- Orders for reprints and reproductions when the vendor copy needs to be mailed with the reprint/reproduction order form; and
- Orders for items to be repaired when the vendor copy needs to be shipped with the item.

This request for special handling must be clearly marked in the requisition Justification/Comments. Because this process requires special handling by Purchasing and we treat these as a priority, vendor copies processed as Will Calls must be picked up by the department. Purchasing will not mail them to the department by campus mail.

After the order is processed and signed, the department is notified that the vendor copy is ready for pick-up. A department representative must come to Purchasing to sign our log and get the vendor copy.

For items that are to be picked up, the department is then responsible for taking the vendor copy to the vendor; picking up the materials; notifying Central Receiving in writing to issue a receiving report for goods or notifying Payment Services to document receipt of services; and forwarding the invoice to , Payment Services if applicable. For reprints/reproductions and repair items, the department is responsible for taking the vendor copy to Central Receiving for shipping.

If items are on back order or need some preparation time, departments should check with the vendor to see if they are willing to call a departmental representative when the items are ready for pickup. If so, add a "NOTE TO VENDOR" in the requisition Justification/Comments, such as, "**NOTE TO VENDOR: Please call Sam Smith at 817-735-XXXX when the order is ready for pickup.**" If the order needs to be placed by a certain time, the department must also include a note to Purchasing so we will be aware of the need. If the items are needed the same day and the vendor will need some time to pull the order together, the department can still process as a Will Call. In this case, the department should call or fax the vendor AFTER you have the approved vendor copy and tell the contact person that you will arrive at a certain time to pick up the items.