

<b>Policies of the University of North Texas</b>	Chapter 10
<b>4.0 Purchasing Services</b>	Fiscal Management

**Policy Statement.** The purpose of this policy is to establish guidelines for purchasing services.

**Application of Policy.**

Total University

**Definitions.**

None

**Procedures and Responsibilities.**

**4.0.1 Organization.**

The University of North Texas Purchasing and Payment Services Department (PPS) is comprised of the following four divisions:

- Purchasing, Payment and Contract Services;
- HUB Reporting/Entity/Travel;
- HUB Outreach; and
- Asset Management, (which includes Property & Inventory Control, Central Receiving, Surplus, Customer Service and Office Supply).

Organizationally, the department is a unit of the Controller’s Office. The Director of Purchasing and Payment Services Department and HUB Coordinator leads the department.

The Purchasing and Payment Services Senior Associate Director provides general management of the Purchasing Service Section with daily supervision by the Purchasing Services Manager. It is the responsibility of Purchasing Services to assist the University community in obtaining materials, equipment, and services at the best value consistent with specified quality and delivery requirements as allowed by law. Purchases are made in accordance with the Laws of the State of Texas (to include the State Constitution, the State Appropriations Act); applicable federal laws including Internal Revenue Service regulations; and the Policies and Procedures of the University.



#### **4.0.2 Legal Authority.**

Only the Board of Regents, the Chancellor, and the President have the authority to incur any obligation or enter into a contract, agreement, or purchase on behalf of the University of North Texas unless this authority has been specifically delegated to a designee by one of them in writing. ( [SEE POLICY 10.4](#) ) No commitment for materials, equipment, or services may be made without an approved purchase order or negotiated written contract signed by one of these authorized agents. The designated agents for signing purchase orders on behalf of the University of North Texas are the Chancellor, the President and their designees.

##### Creation of an Obligation

The University is obligated to make payment for goods and services only when the Purchasing and Payment Services Department, by issuing an order, obligates the funds. Any other commitments are considered as unauthorized purchases and the individual may encounter a personal obligation to the vendor. "Confirmation Orders" sent to Purchasing and Payment Services after the fact, as a general rule, should be avoided. In emergency situations, employees may be eligible for reimbursement on items personally purchased for the University. See [Policy 2.1.18](#).

#### **4.0.3 General Purchasing Information.**

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

All purchases of supplies, equipment, and services, are processed through Purchasing and Payment Services unless an exception has been granted by the Director of Purchasing and Payment Services Department. Interdepartmental Orders (IDO) are processed through the Financial Reporting Department. See [Policy 2.0.1](#). Purchasing and Payment Services is responsible for obtaining reasonable information and specifications to support a request for purchase.

##### Purchasing Cards

The state corporate purchasing card has been implemented at the University. Based on a set limit, cardholders may make purchases with the card in lieu of using requisitions. In order to participate in the program, a deptID, projid or department head must sign an agreement with Purchasing and Payment Services. The department takes full responsibility for purchasing items in compliance with state law and University policy by signed agreement, and also agrees to maintain all supporting payment documentation for five years plus the current fiscal year. Additionally, the department agrees that anyone obtaining a card in their area will attend the appropriate training seminars. While the University has set parameters for purchasing limits and items which can be purchased, a department may request exceptions based on the

specific mission of their unit. Decisions on the exceptions will be made by fiscal administration.

### PPS Contract Administration

Contracts, which involve the obligation of UNT funds, must be reviewed by the appropriate Purchasing and Payment Services staff members for compliance with applicable statutes and with the UNT policy on Contracts (see Policy 10.4) 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 PPS for handling via the electronic purchasing system. It is the responsibility of the PPS Contract Administration Manager to coordinate the processing of contracts with the Office of General Counsel. Purchase orders involving contracts will not be issued until the contract is properly executed and signed.

#### **4.0.4 COMPETITIVE BIDDING.**

In most situations, orders equaling and exceeding \$25,000 will require competitive bidding. All purchases shall be in accordance with established procedures, with procedural flexibility as deemed appropriate by the Director of Purchasing and Payment Services. When possible, vendors contacted for bids should be selected from the State of Texas "Centralized Master Bidders List" (CMBL) maintained by the Texas Building and Procurement Commission to ensure use of Historically Underutilized Businesses. Prospective vendors will be identified through other sources, in addition to the TBPC list.

The formal written bid process must be conducted under the direction of a designated or delegated purchaser of the University. In some cases a department may send out requests for information (RFI) before working with the Purchasing Services Section or delegated staff; however, the Purchasing and Payment Services or delegated staff should be involved in all formal Invitations for Bids (IFB) or Requests for Proposals (RFP) development and awarding.

**CODE OF ETHICS:** See [Policy 1.2.9](#).

#### **4.0.5 Conflict of Interest.**

In most instances purchases are not permitted from any employee or member of his/her immediate family who has an actual or potential financial interest in the transaction when the employee is in a position to influence the transaction. For example, in most cases a deptID holder for the University should not authorize purchase orders to companies owned by the deptID holder or members of his/her immediate family. The University recognizes that on occasion there may be circumstances that require such a transaction. In cases where circumstances require such a transaction, the Ethics Officer of the University will review the transaction and determine the appropriateness.

Transactions which involve employee authored intellectual property are a different matter and must be in accordance with [UNT Policy No. 19.8](#) Policy on Adoption and Pricing of Instructional Materials Including Classroom Texts and Supplemental Texts Authored by UNT Faculty, Staff, and Departments. In accordance with [UNT Policy No. 19.8](#), employees utilizing their own intellectual property in courses or programs will not agree to royalty distribution from the sale of the intellectual property to UNT students in classes or programs taught or otherwise offered by the employees unless such intellectual property is sold to and utilized by students in classrooms or programs at other institutions of higher education. Employees will not utilize intellectual property of other UNT employees in exchange for a benefit.

#### **4.0.6 Disputes or Protests.**

In the case of a protest of dispute of an action taken by Purchasing Services Division, a letter outlining the situation should be sent to the Director of Purchasing and Payment Services. The letter will be reviewed and a response will be issued within ten (10) days. Letters should be mailed to:

University of North Texas  
Director  
Purchasing & Payment Services Department  
P.O. Box 310499  
Denton, TX 76203

#### **4.0.7 Lease of Space.**

The University of North Texas may process leases of space regardless of the fund source. The designated leasing liaisons for UNT are the Chancellor, the President and their designees.

#### **4.0.8 Dollar Thresholds for Informal Bids Versus Amounts Requiring Formal Bids.**

Purchases for materials and/or services require either phone bids or formal written bids, as follows:

-  
ALL FUNDS:

\$0.00 - \$5,000.00, one phone bid.

\$5,000.01 - \$25,000.00, three phone bids or informal quotes.

\$25,000.01 and up, formal written bids by Purchasing and Payment Services

Procedural flexibility may be applied as deemed appropriate by the Director of Purchasing and Payment Services

When multiple bids are required, both phone and written, at least two of the bids should be from Historically Underutilized Businesses (HUBs) in each situation requiring formal/informal bidding. Departments are also encouraged to contact HUB vendors on orders not requiring bids.

#### **4.0.9 Proprietary or Sole Source Purchases.**

If a department has analyzed its needs and considered similar products or services, but a particular feature or performance is not available from other providers to allow competition; then the department must decide whether conditions exist to justify and request a proprietary or sole source purchase from only one company. If conditions exist, the requisitioner must provide an explanation of the need for the proprietary specifications and/or conditions of purchase; the reason(s) competing products (manufacturers) are not satisfactory and; any other information pertinent to the transaction deemed important. The acceptance of the sole source or proprietary justification is the responsibility of the Director of Purchasing & Payment Services or the Director's designee.

If a sole source purchase is properly justified and documented, bidding will not be required regardless of the dollar amount of the purchase.

##### **4.0.9.1 Purchase of Used Equipment**

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

##### **4.0.10 Restocking Charges.**

If the return or cancellation 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. Payment Services should be notified on the request for the cancellation that the fee(s) will be assessed, and that amount will remain encumbered to pay the fee(s).

##### **4.0.11 Consulting Contracts.**

All orders for Consulting Services must come through Purchasing Services for review and approval prior to any obligations being made for the University. Consulting Services are defined as the practice of studying an existing or a proposed operation or project of an agency and

advising the University with regard to the operation or project. All consulting contracts must accompany the requisition to Purchasing Services for processing before completion of the contract. The contract will be processed by the PPS Contract Administration Manager working with the Office of General Counsel before a purchase order is issued. NOTE: Consulting contracts exceeding \$25,000 require publication in the Texas Register 30 days prior to award; and require approval of the agency head. ALL consulting contracts must be reviewed by the Office of -General Counsel, then signed by the Chancellor, the President or their designees in order to be a binding contract. (See [Pol. 4.0.22](#) )

#### **4.0.12 Professional Services Contracts.**

All orders for Professional Services must come through Purchasing Services for review and approval prior to any obligations being made for the University. Professional Services includes **miscellaneous professional services**, most of which are biddable and follow the same monetary guideline for informal or formal written bids as used to purchase materials. A "Miscellaneous Services Contract" may also be required to accompany the purchase order and must be reviewed by the Office of General Counsel, then signed by the Chancellor, the President or their designees in order to be a binding contract. The approved contract should accompany the spot purchase order form when sent to Purchasing Services for processing. Some specific Professional Services are exempt from bidding by law, and are outlined in Policy 4.0.22. (See [Pol. 4.0.22](#) )

#### **4.0.13 Historically Underutilized Business (HUB).**

The University is committed to achieving the State's goal of increasing contracting opportunities for Historically Underutilized Businesses (HUB's).

The University shall strive to increase opportunities for Historically Underutilized Business (HUB) firms to provide materials, supplies, equipment, and services needed to support operations of the University. University of North Texas is committed to a good faith effort to increase the number and value of business transactions with Historically Underutilized Business firms consistent with the State's functional goal to build a solid foundation for economic prosperity. Achievement of this goal may be reached by the University contracting directly with a Texas Building and Procurement Commission (TBPC) certified Historically Underutilized Business or by the University's prime contractors establishing contracts with certified Historically Underutilized Businesses as subcontractors, suppliers or material providers. This policy applies to acquisition of all materials and services REGARDLESS OF THE SOURCE OF FUNDS. The University shall utilize and supplement, as appropriate, purchasing rules and regulations published by Executive Order and the Texas Building and Procurement Commission in support of Historically Underutilized Business objectives.

The Director of Purchasing and Payment Services serves as the Historically Underutilized Business (HUB) Coordinator. The coordinator is responsible for implementation of training programs to recruit Historically Underutilized Businesses, reporting required information to the

Texas Building and Procurement Commission, matching Historically Underutilized Businesses with key departmental staff at the University of North Texas, designing a Historically Underutilized Business program modeled after the Texas Building and Procurement Commission program, and sponsoring Economic Opportunity Forums for Historically Underutilized Businesses. Senior Purchasing and Payment Services Department managers and personnel will attend various state and industry sponsored functions to further these goals. The HUB Administrator is responsible for day-to-day operations concerning HUB activities and reporting. The Associate HUB Coordinator is responsible for Outreach efforts.

Orders for goods and services which are \$100,000 or more require completion of HUB Subcontracting Plans before a purchase order will be issued. Purchase orders issued under a subcontracting plan require that a subcontracting affidavit be filed with each invoice.

#### **4.0.14 DeptID Holder Responsibility.**

It is the responsibility of each deptID holder to ensure all funds entrusted to them are managed in accordance with state law, federal law and the University policies and procedures. As custodian of those funds, the deptID holder takes full accountability for all processes and personnel that might affect them. The DeptID 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 the University Human Resources Department sponsored training seminars and/or individual on-site departmental training conducted by appropriate individuals.

#### **4.0.15 Advertisements, Classified.**

Advertisements for staff positions must be approved by the Human Resources department before they can be processed by Purchasing Services. Advertisements for faculty positions must be approved by the Office of Equity and Diversity prior to submission to Purchasing Services. Individual departments are not authorized to place such ads on their own.

Departments may request advertisements that are not related to hiring by entering a requisition in the electronic purchasing program. A copy of the wording placed in the ad should be submitted with the requisition. Ads should not be placed until a purchase order has been issued by Purchasing Services. This includes ads in all types of media.

#### **4.0.16 Animals.**

The care and use of vertebrate animals at the University is supervised by a registered animal care technician and consulting veterinarian. In order to assure the approved space is available for newly purchased animals and to insure that animals are purchased from approved vendors, all requisitions for live, vertebrate animals must have the written approval of the technician or consulting veterinarian. This approval may be electronically attached to the requisition.



#### **4.0.17 Blanket Orders.**

The University of North Texas encourages the use of blanket orders for items purchased on a repetitive basis, and is limited primarily to those items which cannot be purchased with the purchasing card. Blanket orders may not cross fiscal years, cannot exceed bid limits for a particular funding source, and cannot be back-dated to cover a previous purchase. Purchasing Services must be contacted for instructions based on type of purchase before issuance of a blanket order.

#### **4.0.18 Hazardous Materials.**

When a department purchases hazardous chemicals, the department should forward the firm's information data sheet about the nature of the chemicals being purchased and a copy of the order to Risk Management and Environmental Services to retain. The chemical name(s) and quantity(ies) are to be identified on the requisition and purchase order. The responsibility for forwarding this information lies with the deptID holder.

#### Radioactive Materials

Requisitions for radioactive materials must be submitted to the Radiation Safety Officer for review and approval prior to the purchase order being processed. The approval may be electronically attached to the requisition.

#### **4.0.19 Trade-In of Existing Equipment.**

Departments interested in purchasing new equipment, and also offering trade-in of old equipment of the same or similar type, must state the following conditions on the requisition and attached supporting documentation; "**Trade-in at State's option to be picked up by the vendor 'where is, as is'**". Equipment must be fully identified as to make, model, serial number, the University property number, age, condition, estimated value, and location. Proprietary purchases offering trade-in of old equipment must have acceptable justification. It is encouraged that the old equipment be retained and not released to the vendor until the new equipment arrives and is accepted.

#### **4.0.20 Special Handle Purchase Orders.**

The purchasing card should be used in place of special handle orders whenever possible. Beginning September 1, 2002, special handle orders for items, which could be purchased with the card, will not be allowed. All requisitions requesting special handling **must have attached an original SPECIAL HANDLING JUSTIFICATION FORM**. To be processed, these requisitions must also have all other required approvals (vice president, Grant Accounting, etc.). If special

handling is required for the payment to be issued, the requesting department must work directly with Payment Services in order to obtain the payment.

#### **4.0.21 OTHER RELATED TOPICS**

**FOOD POLICY** : See Policy [2.1.6](#)

**GIFTS AND HONORARIUMS** : See Policy [2.1.13](#)

**INTERAGENCY CONTRACTS** : See Policies [2.1.14](#) and [2.5.6](#)

**MEMBERSHIPS**: See Policy [2.1.4](#).

**PAYMENTS** : See Policy Series [2.1](#), Accounts Payable Functions, for Payment Policies

**PER DIEM PAYMENTS** : See Policy [2.1.15](#)

**PREPAYMENTS** : See Policy [2.1.7](#)

**PRINTING AND RELATED SERVICES**: See Policy [6.2](#).

**PUBLICATIONS AND AUDIOVISUALS** : See Policy [7.1](#)

**REGISTRATION FEES** : See Policy [2.1.11](#)

**REIMBURSEMENTS AND REFUNDS** : See Policy [2.1.18](#)

**RETURN OF MATERIALS** : See Policy [2.1.2](#)

**SUBSCRIPTIONS** : See Policy [2.1.5](#)

**TRAVEL** : See Policy [2.1.15](#)

**Responsible Party**: Purchasing Services

#### **References and Cross-references.**

None

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