

UTDBP3057

Purchasing Policies

Policy Statement

Purpose

To provide guidance regarding the appropriate methods for purchasing goods and services for University business use, as well as requirements for vendors doing business with UT Dallas.

Best Value Procurement

The [Texas Education Code, Section 51.9335](#), authorizes institutions of higher education to use "best value" procurement processes. "Best value" reflects the optimum combination of economy and quality that is the result of fair, efficient, and practical procurement decision-making and that achieves the institution's procurement objectives. With the exception of professional services (see [Texas Government Code Chapter 2254](#)) each procurement of products or services shall be made using a method which results in "best value" to the institution.

Authority to Obligate

Authority to obligate institutional funds of The University of Texas at Dallas for purchases of supplies, materials, services, and equipment is granted to the Purchasing department by the University president pursuant to authority granted in accordance with The University of Texas System Rules and Regulations of the Board of Regents, [Rule 10501: Delegation to Act on Behalf of the Board](#).

Individuals who have been issued University OneCard purchasing cards are authorized to make certain low-dollar purchases for official University business purposes, pursuant to limits established as part of the OneCard program. Violations of those limits may result in removal of

privileges.

Ethics

All employees at UT Dallas must abide by the [Code of Ethics \(UTDBP3048\)](#) and other requirements outlined in the Standards of Conduct Guide.

Summary of Purchasing Methods

Purchase Amount	Available Purchasing Methods				Use of Existing Contracts	
	One-Card	Amazon Punch-out	Direct Purchase	Purchasing Assigned	Specialized Equipment or Services (Only One Vendor)	UTD, UT System Alliance, Premier, Other Accredited GPO, Accredited State Agency
Under \$5000	Available ^{1, 2}	Available ^{1, 2}	Minimum of one quote	Minimum of one quote	One Quote	Recommended for routine purchasing (e.g. office supplies)
\$5,000 - \$14,999	Not allowed	Not allowed	Minimum of one quote	Minimum of one quote	One Quote	Recommended (Only if best value)
\$15,000 - \$49,999	Not allowed	Not allowed	Minimum of three quotes ³	Minimum of three quotes ³	One quote EAJ required ⁴ (No existing contract)	Recommended (Only if best value)
Over \$50,000^{5, 6, 7, 8}	Not allowed	Not allowed	Not allowed	Required	One quote EAJ required ⁴ (No existing contract)	Required (Only if best value)

¹ Single transaction limit of \$5,000.

² See [One Card program website](#) for prohibited One-card and Amazon punch-out transactions.

³ Include 2 HUB vendors if possible.

⁴ EAJ = Exclusive Acquisition Justification.

⁵ HUB Subcontracting Plan (HSP) required for purchases greater than \$100,000.

⁶ Additional requirements on GPOs apply for purchases greater than \$500,000.

⁷ Office of General Council review required for purchases over \$1 million.

⁸ Board of Regents approval required for purchases over \$2.5 million.

Splitting one transaction into several or otherwise breaking down a purchase so that each component falls under a particular dollar threshold is specifically prohibited.

Departments are expected to contact purchasing@utdallas.edu for assistance with purchases over \$100,000

OneCard

The One Card program provides an easy, flexible method for conducting small purchases or paying for travel-related expenses.

The use of the One Card as a form of purchase/payment does not exempt the university, its officers, or employees from the purchasing and travel requirements of Texas State law and the Texas Procurement and Support Services (TPASS) Division or other policies. Cardholders are liable and responsible for all charges and must follow the procedures and limits established by Payment Services.

Primary requirements for use of a One Card are:

- The One Card may only be used for University business. Cardholders must provide a justification for each transaction that clearly demonstrates how the purchase relates to University business.
- Certain items may not be purchased with a One Card. The list of these items is maintained on the [One Card program website](#).
- Itemized receipts/invoices, showing in line-item-detail what was purchased and for how much, must be provided for all transactions.
- Cardholders must report unauthorized purchases, misuse, or lost or stolen credit cards immediately.
- All purchases made with a One Card within the State of Texas are exempt from State of Texas sales tax (with the exception of meals in restaurants) and State of Texas Occupancy Tax at Texas hotels. Cardholders must monitor all transactions to ensure that tax is not charged.

An employee's supervisor and Fiscal Officer must approve the initial issuance of a One Card to the employees. Approval indicates the supervisor's responsibility to assist Payment Services in ensuring the card is used appropriately. In addition, the supervisor or another employee who is

not a subordinate of the cardholder must review each month's expense report. Any discrepancies or concerns should be reporting to the one-card administrator immediately.

eProcurement

eProcurement is a system that enables shoppers to browse approved catalogs and place items in a virtual shopping cart. The shopping cart is then routed for appropriate approvals and turned into a purchase requisition. Final approved requisitions are sent to suppliers as purchase orders.

eProcurement is available through the [Galaxy](#) portal.

Quotes – for purchases less than \$15,000

Departments should solicit quotes from at least one vendor and make a good-faith effort to include certified HUB suppliers when available. The bid should be attached to the requisition.

Informal Bids - for purchases over \$15,000 but less than \$50,000

Departments should solicit bids from multiple vendors and make a good-faith effort to include certified HUB suppliers when available. A minimum of three bids should be attached to the requisition. Purchasing will review the request and may solicit additional bids if they believe additional suppliers are capable of providing the same goods or services. The department will be consulted if a lower-cost supplier is identified, in order to determine whether that supplier is the best value. Purchasing will then issue a purchase order to the selected supplier.

Request for Solicitation - for purchases over \$50,000

Departments are expected to complete the Request for Solicitation form ([link](#)) to provide context about the purchase. Purchasing will review the request and contact the department to discuss possible solicitation methods.

Request for Proposal (RFP)

When an RFP is used, the department must establish the factors that the purchasing decision will be based on and identify several individuals to review proposals and provide scores for those factors. The department may also identify suppliers to whom the RFP should be sent. Purchasing will review and approve scoring criteria and review committee membership before

posting the RFP publicly and notifying identified vendors.

Vendors responding to an RFP are expected to submit a proposal that includes all required documents included in the RFP. Vendors who submit incomplete proposals will be disqualified.

Purchasing will hold all responses until the submission deadline. Pricing components will be removed before the proposals are released to the evaluation team. If a HUB Subcontracting Plan (HSP) is included, these must be reviewed before proposals are released to the evaluation team. The evaluation team must then score each proposal based on the identified criteria. Purchasing will complete the scoring of the price and compile a total score. Purchasing will recommend one or multiple vendors to the evaluation team, based on the combined scores. Once the evaluation team selects a vendor, based on best value, an award letter will be sent to the supplier. A countersigned agreement will be sent upon successful negotiation of contract terms, if such negotiation is necessary.

Request for Qualifications (RFQ)

An RFQ is used to identify potential suppliers prior to another form of solicitation. Suppliers are not bidding on a specific project and will not submit pricing information or detailed proposals, only qualifications. Only suppliers who meet minimum criteria will be invited to submit proposals during any subsequent solicitation.

During an RFQ, the department will identify a general scope of work and questions to be asked to determine the supplier's qualifications. They will also identify a team of subject matter experts who will review the responses. Purchasing will review and approve scoring criteria and review committee membership before posting the RFQ publicly and notifying identified vendors.

Vendors responding to an RFQ are expected to submit a proposal that includes all required documents included in the RFQ. Vendors who submit incomplete proposals will be disqualified.

Purchasing will hold all responses until the submission deadline, then release them to the review committee. The review committee must then determine whether each supplier meets the minimum qualifications. Only qualified suppliers are asked to participate in a possible subsequent solicitation.

Request for Information (RFI)

An RFI is used to gather additional information about features and specifications of a product or service so that an appropriate statement of work can be developed prior to another form of

solicitation. Suppliers are not bidding on a specific project and will not submit pricing information or full proposals, only detailed descriptions and specifications of the good or service they provide. Suppliers may respond to a subsequent solicitation even if they did not respond to the RFI.

During an RFI, the department will identify a general description of the product or service to be obtained and potential suppliers. They will also identify a team of subject matter experts who will review the responses. Purchasing will review and approve the RFI before posting it publicly and notifying identified vendors.

Vendors responding to an RFI are expected to submit a detailed informational response that includes all required documents included in the RFI. Vendors who submit incomplete proposals may be disqualified.

Purchasing will hold all responses until the submission deadline, then release them to the review committee. The review committee will then use the information to develop a statement of work for a possible subsequent solicitation.

Exclusive Acquisition

Competitive purchasing is generally best, as it typically leads to reduced costs. However, it is not always possible - for example, if a specific product is necessary for continuation of research or if a product is only available from a single vendor. Departments must submit a justification when pursuing this type of product. The justification is not intended to determine whether or not the purchase is necessary, but only whether or not the purchase can be made without a competitive bidding process.

An exclusive acquisition may only be used for three categories of purchases:

1. Proprietary and Best Value: the products or services are only available through a single source, and / or are used for compatibility of existing equipment, and / or are necessary to continue service or research, or are specifically required by a contract or grant.
2. Emergency: a delay in purchasing would create a hazard to life, health, safety, welfare, or property.
3. Professional Services: the professional service providers are uniquely qualified, necessary to continue service or research, or are specifically required by a contract or grant.

Purchases requiring Special Handling

Some types of purchases require additional levels of approval or documentation that differ from typical purchasing processes. These are often unusual or occur infrequently.

Emergency Purchases

The existence of an emergency condition may create an immediate and serious need for service, construction, or purchases that cannot be met through normal competitive procurement methods, and the lack of which would seriously threaten the function of the University, the preservation or protection of property, or the health and safety of any person. In the event of an emergency, designated department contacts should notify purchasing@utdallas.edu and the Director of Purchasing so that purchases related to the emergency are appropriately documented.

Purchases from Employees or Relatives of Employees

UT System Purchasing policy ([UTS 159](#)) states that purchases are not permitted from an employee (or relative of an employee) unless approved by the president or chancellor, as appropriate, and the cost is less than from any other known source.

A purchase from an employee by a university department must receive approval before a purchase agreement is made with the employee, regardless of the dollar amount. Requests for exception must be routed to the Director of Purchasing who will pursue the necessary approval from senior management.

Requests for exception must:

- fully describe the product or service to be purchased.
- state the reason why the purchase from the employee is the best alternative.
- provide a comparison of cost from other vendors who offer the same product or service to demonstrate it is the lowest cost option.

Historically Underutilized Business (HUB) Program

UT Dallas is committed to promoting full and equal opportunity for all businesses supplying goods or services to the University. A HUB is defined as a business formed for the purpose of

making a profit and is otherwise a legally-recognized business organization under the laws of the State of Texas in which at least 51 percent of the business is owned, operated, and controlled by one or more of the following:

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

The above are economically disadvantaged and have been historically underutilized because of their identification as members of these groups. Eligible entities must have their principal place of business located in Texas where the majority HUB owner(s) makes the decisions, controls the daily operations of the organization, and participates in the business. The qualifying owners must be residents of the State of Texas. HUB vendors must be certified by the Texas Comptroller's office.

The Texas Legislature requires all state agencies to make a good faith effort to assist HUBs in receiving a portion of contracts the University enters into. Specific targets have been set for specific categories. To help promote use of HUBs, Purchasing may require departments to provide quotes from HUB vendors. Further, when conducting solicitations with an expected value of \$100,000 or more, Purchasing may require proposals to include a HUB Subcontracting Plan. A proposal that does not include an HSP must be disqualified as incomplete.

More information is available on the [HUB program website](#).

Use of Existing Contracts

A variety of contracts (GPO, DIR, UT System Supply Chain Alliance) are in place and can be used to purchase products or services. These contracts have already been competitively solicited and comply with terms and conditions that are acceptable to UT Dallas. Departments are encouraged to use existing contracts wherever feasible in order to obviate the expense and

delay of a formal solicitation process.

Vendor Requirements

Good Standing: [Government Code 403.055](#) prohibits a state agency from issuing payment to an individual or business that is indebted to the State of Texas. Once the University is aware the Taxpayer ID Number (TIN) is on "payment hold" status at the State Comptroller's office, UT Dallas as a state agency is unable to complete the order until the vendor is no longer on hold. The vendor will need to contact the State Comptroller's Office at (800) 531-5441 ext. 34561 for further details on the hold status. When the matter has been resolved, UT Dallas can continue business as usual.

Required Documentation: Suppliers must complete all of the documentation required, such as W-9 or similar forms, direct deposit information, etc. Details are outlined on the [supplier self service website](#).

Terms and Conditions: Suppliers must agree to the University of Texas at Dallas Purchase Order Terms and Conditions, unless other terms are negotiated and mutually agreed upon. Additional contract terms – such as FERPA and / or HIPAA compliance – may also be required.

Dispute Resolution: To the extent that [Texas Government Code Chapter 2260](#), is applicable to a contract and is not preempted by other applicable law, the dispute resolution process provided for in Chapter 2260 and the related rules adopted by the Texas Attorney General pursuant to Chapter 2260, shall be used by The University of Texas at Dallas (UTD) and a contractor to attempt to resolve any claim for breach of contract made by a contractor that cannot be resolved in the ordinary course of business. The Chief Business Officer of UTD shall examine the contractor's claim and any counterclaim and negotiate with contractor in an effort to resolve such claims.

Receiving

Departments must create a receipt in eProcurement for any purchase over \$500. This should be done as soon as goods are delivered or services are rendered. The supplier cannot be paid unless a receipt has been created.

In addition, Central Receiving must record all controlled assets. The supplier will not be paid until Central Receiving team has recorded and tagged the asset.

Payment Terms

UT Dallas makes payments to vendors in accordance with the Texas Government Code Chapter 2251 (Texas Prompt Payment Act), which requires vendors to be paid within 30 days of the latest of the following:

- The day the department receives the goods
- The day the services were completed by the vendor
- The day Payment Services receives the invoices

If a vendor offers a discount for early payment, the University may take advantage of the discount.

Business Reimbursement

It is occasionally necessary for an individual to purchase an item using personal funds, then seek reimbursement. This will only be considered when there is a legitimate business need. UT Dallas will not reimburse the individual for any sales tax paid.

Reimbursement of travel expenses is governed by the University's Travel Expenses policy ([UTDBP3104](#)).

Reimbursement of expenses related to entertainment and official occasions is governed by the University's Entertainment and Official Occasions policy ([UTDBP3094](#)).

Use of Federal Funds

All purchases utilizing federal funds (e.g., federal grant or contract) shall be made in accordance with all applicable federal rules and regulations.

For more information, please visit the [Office of Sponsored Programs](#) website.

Applicable Laws & Regulations

Relevant UTD Policies

- [UTDBP3048: University Human Resources Policies Section](#)
- [UTDBP3094: Entertainment and Official Occasions](#)
- [UTDBP3101: Contract Administration](#)
- [UTDBP3104: Travel Expenses](#)
- [UTDPP1100: Conflicts of Interest and Conflicts of Commitment](#)
- [UTDPP1101: Outside Activity Policy Executive Officers and Employees Involved in Procurement Activities or Contract Management](#)

Relevant UT System Policies and Rules

- [UTS 134: Code of Ethics for Financial Officers and Employees](#)
- [UTS 137: Historically Underutilized Business \(HUB\) Program](#)
- [UTS 156: Purchaser and Certain Contract Negotiator Training and Certification](#)
- [UTS 159: Purchasing](#)
- [UTS 180: Conflicts of Interest, Conflicts of Commitment, and Outside Activities](#)
- [Rule 10501: Delegation to Act on Behalf of the Board](#)
- [Rule 20901: Procurement of Certain Goods and Services; Contract Management Handbook](#)
- [Rule 30104: Conflict of Interest, Conflict of Commitment, and Outside Activities](#)

Relevant Federal and State Regulations

- [Code of Federal Regulations \(CFR\)](#)
- [Defense Federal Acquisition Regulations \(DFAR\)](#)
- [Federal Acquisition Regulations \(FAR\)](#)
- [OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)
- [OMB Circular Frequently Asked Questions](#)
- [Texas Education Code, Section 51.9335](#)
- [Texas Government Code Chapter 2251](#)
- [Texas Government Code Chapter 2254](#)
- [Texas Government Code Chapter 2260](#)
- [Texas Government Code 403.055](#)

RESPONSIBLE PARTY

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LAST REVIEWED

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HISTORY

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