

Sam Houston State University
A Member of The Texas State University System

Finance & Operations Purchasing Policy PUR-01
General Purchasing Policies

The responsibility and authority to purchase materials, supplies, goods, equipment, and services are granted by State law, and the Board of Regents of The Texas State University System to the President of Sam Houston State University and to the Director of Purchasing and Stores.

No employee of the University other than the President, a Vice President, the Director of Purchasing and Stores, or an individual expressly authorized by one of the above may obligate the University for materials, supplies, goods, equipment, or services.

THE PURPOSE OF PURCHASING

GOALS

- Satisfy the needs of the University, its faculty, staff, and students.

- Spend the University's money wisely.

The purpose of the purchasing staff is to obtain the right item to satisfy a recognized need. The right item means buying the right quality in the right quantity and having it delivered at the right time. Emphasis will be on quality and user satisfaction.

The right item also means buying at the right price from the right supplier using the right method. There can be no doubt that price is an important factor in determining what item to buy; however, quality of the item and quality of the supplier are also important considerations. The right method means to obtain the needed goods and services in the most effective manner while maintaining control and honoring our fiduciary responsibilities.

OBJECTIVES

- Conduct purchasing without favoritism and without arbitrariness or caprice.

- It is the policy of the University to encourage the use of Small and Historically Underutilized Businesses by making a "Good Faith Effort" to increase purchases and award contracts through race, ethnic and gender neutral means.

- Acquire goods and services in an effective, efficient, and economical manner.

- Store and protect assets while in the possession of Purchasing and Stores.

- Obtain value for surplus or obsolete items.

SOURCE OF FUNDS

It is the policy of the University to adhere to these purchasing procedures to obtain goods and services using any source of funds. Federal, State, local, contract, and grant funds will be treated the same.

COMPETITIVE PURCHASING

It is the policy of the University to use competitive purchasing whenever possible to obtain items using any source of funds. Federal and State laws mandate competitive purchasing whenever governmental funds are used and most sources of grant funds also stipulate competitive purchasing.

The Supreme Court of Texas defines competitive purchasing as:

- due advertisement, giving opportunity to bid, and contemplates bidding upon the same thing

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- that all bidders be placed upon the same plane of equality
- that all bidders bid upon the same terms, conditions, and the same or substantially similar specifications. There can be no competitive bidding in a legal sense where the terms, conditions, or specifications prevent competition, favor a vendor or manufacturer, or increase the cost of the items going into the purchase. Further interpretations have determined that both product and price competition must be present and evident.

CENTRALIZED PURCHASING

The responsibility and authority to purchase, lease, or rent materials, supplies, goods, equipment, or services are placed with the Division of Finance and Operations, Purchasing and Stores Department.

Purchasing is centralized to:

- realize economy, efficiency, and effectiveness in the procurement function;
- pursue quality assurance and standardization;
- maintain the highest standards of ethics;
- assure compliance with the Board of Regents, State, and Federal purchasing statutes, rules, and regulations; and
- provide information to the President.
- develop and expand a Historically Underutilized Business (HUB) Program that will assist small, minority and woman-owned businesses to do business with the State of Texas.

SMALL AND HISTORICALLY UNDERUTILIZED BUSINESS (HUB)

Sam Houston State University has adopted the Texas Procurement and Support Services (TPASS) rules as their own HUB rules (Texas Government Code 32161.003 – Agency Rules (TAC111.15). It is the policy of the University to encourage the use of small and historically underutilized businesses by making good faith efforts to increase purchases and contract awards through race, ethnic, and gender neutral means. The goal is to promote full and equal business opportunity for all businesses.

Good faith efforts include these actions:

- prepare and distribute information on procurement procedures in a manner that encourages participation in University purchases and contracts by all businesses;
- divide proposed requisitions into reasonable lots in keeping with industry standards and competitive bid requirements;
- assess bond and insurance requirements and design such requirements to reasonably permit more than one business to perform the work;
- specify reasonable, realistic delivery schedules consistent with actual requirements;
- ensure that specifications, terms and conditions reflect actual requirements, are clearly stated, and do not impose unreasonable or unnecessary contract requirements; and
- refer contractors to the website list of certified HUBs for subcontracting, as provided by the Texas Procurement and Support Services (TPASS). The University will make good faith efforts to assist small and historically underutilized businesses in receiving a portion of the

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total contract value for all contracts for construction, services, including professional and consulting services, and commodities purchases. Note: All purchases or services which exceed \$100,000.00 require a completed HUB Subcontracting Plan at time of bid opening. SHSU encourages bidders to utilize the HUB Subcontracting Plan, even if the dollar amount falls below the \$100,000.00 requirement.

- 17.1 **Purpose.** Sam Houston State University promotes full and equal opportunity for all businesses to provide the goods and services needed to support the mission, administrative, and logistical operations of systems components. The Board commits its components to a good faith effort to increase purchases and contract awards with Historically Underutilized Businesses (HUB) firms through race, ethnic, and gender neutral means and consistent with the State's goals for HUB participation and overall social advancement and economic prosperity.
- 17.2 **Scope.** This policy applies to acquisition of commodities, professional and other services, and construction by SHSU, including auxiliary enterprises, regardless of funding source (treasury or non-treasury funds).
- 17.3 **Incorporation by Reference.** The Historically Underutilized Business Program rules and regulations promulgated and, from time to time, amended by the Texas Procurement and Support Services are adopted into and shall become part of these Rules and Regulations as if fully set out herein (See website address – <http://www2.cpa.state.tx.us/hub>).

Reviewed by: John C. Hitzeman-Director of Purchasing, Property & Stores – 11-01-07
Next Review: 11-01-08