

PURCHASING METHODS AND PROCESSING GUIDELINES

Procurement Method Selected

It is very important for TTUHSC employees to be knowledgeable about the different methods of procuring various good and services. It is also important to understand some basic rules and policies that relate to these purchasing methods to avoid rejection of a TechBuy requisition. A list of the purchase categories **that would not be processed on a requisition** and some basic guidelines are provided below. TTUHSC employees involved in the purchasing process are responsible for reviewing this manual and the operating policies referenced, and for contacting the Purchasing Office, the Purchasing Card team, or the Contracting Office if clarification or assistance is needed.

Procurement Card Purchases – OP 72.15

Any purchase up to \$5,000.00 must be made with the Purchasing Card whenever the vendor accepts credit cards and the purchase is not otherwise prohibited or restricted in OP 72.15. Any purchase order request for less than \$5,000.00 must include the following statement: "The vendor provided on this purchase order does not accept the purchasing card and there is no other source that can provide an equivalent product at an equivalent price." This statement is subject to verification by Purchasing Department staff prior to issuing a purchase order number.

However, large purchases may not be divided into smaller lot purchases in order to avoid the competitive process requirements. If needs can be anticipated (for example if same items are purchased multiple times throughout the year) the annual expenditure estimate would govern the purchasing process.

Important Note: Employees making purchases with the procurement card are strongly encouraged to search "TechBuy" for contract suppliers prior to making any purchase with the procurement card. Please refer to the "Processing Guidelines" section of this manual for additional information.

The purchasing card should be identified as the method of payment at the time the order is placed with the vendor. The employee placing the order should not request that the vendor bill TTUHSC and after invoice is received, request the clearing of the vendors accounts receivable with the purchasing card. This is considered purchasing without authority and is in violation of institutional policies.

Professional Services – (Expense Contracts)

Certain professional services that are anticipated to exceed \$10,000 are processed by the TTUHSC Contracting Office. These professional service categories may include medical professionals including optometrists and licensed or registered nurses, consultants and accountants. Other types of agreements that must be processed through the Contracting Office are listed below:

- Interagency Contracts (contracts between Texas State Agencies)
- Inter-local Agency Contracts (contracts between a Texas State Agency and another governmental entity)

The following procedure has been established for the submission of all expense contracts:

The training material for the TechBuy system is available at <http://webraider.ttuhs.edu> > F&A Work Tools > Purchasing > TechBuy Information > TechBuy Training Documentation.

The TechBuy electronic purchasing system can be accessed at <http://webraider.ttuhs.edu> > Purchasing > TechBuy System

1. When the contract manager/requisitioning department is ready to submit an expense contract, a TechBuy requisition must be completed.
2. Select "Contracting" for the Purchasing Category section of the requisition to process contracts by the Contracting Office.
3. An electronic copy of the contract should be attached in the "Internal Attachments" section of the requisition.
4. The quantity and unit must be applied as most appropriately applies to the terms of the contract. The dollar value of the requisition should be provided as the best estimate of the current fiscal year anticipated expense. A new requisition must be submitted each fiscal year for which the contract is active.
5. The routing sheet must be mailed to Contracting. The routing sheet must reference the TechBuy requisition number so that it can be matched to the correct requisition. The routing sheet must express an annual dollar value that is the best estimate of a full fiscal year anticipated expense.
6. The requisition will not be processed until all the required signatures have been obtained and the contract is distributed. All tracking and electronic notifications will be processed in the same manner as those requisitions processed by Purchasing.
7. The contract number will be provided when the routing process begins so that contract tracking will continue to be available in the Contracting database.
8. If annual expenditures for the types of agreements listed on page 5, paragraph (1) (b) does not exceed \$10,000.00, and the department does not desire to process a contract, a purchase order may be submitted PRIOR TO THE DATE SERVICES BEGIN. The purchase order must contain the following statement:

"The fiscal year expenditures to this provider are not estimated to exceed \$10,000.00"

A department does not have the authority to obligate the institution. Therefore, services are not to begin without a properly and fully executed contract, i.e., a contract that has been (1) submitted via the appropriate TTUHSC OP review and approval process, and (2) signed by the authorized signatories of each party to the contract. Requisitioning departments must submit the contract allowing sufficient lead time for the contracting process prior to the date services are needed. No invoice will be paid until the contract has been fully executed.

All income agreements must be submitted directly to the Contracting Office. A TechBuy requisition is not processed for income agreements.

Direct Pay Purchases – OP 72.03

Direct Pay System categories include the following expenditures:

- Accreditation, certification and examination fees
- Advertising
- Awards, prizes and gifts
- Correctional care contracts
- Donations to charitable organizations
- Food and entertainment
- Interlibrary loan Legal expenditures Lodging – direct bill MPIP refunds
- Magazine/journal subscriptions
- Membership dues
- Patient/study participant expenditures
- Postage
- Professional license fee
- Registrations
- Sponsorship to charitable organizations
- Utilities

Direct pay expenditures are those for which the department is initiating payment for products and/or services that have already been received, have occurred, or customarily require advance payment, and are specifically identified below. The categories do not fall under other statutory purchasing requirements as determined by Purchasing **and are specifically identified within HSC OP 72.03.**

The Direct Pay system can be accessed at <http://webraider.ttuhs.edu> > F&A Work Tools > Purchasing > Direct Pay.

Original invoices and/or receipts are required to be submitted with the Direct Pay transaction before payment will be processed. If the departmental purchasing card is used to process the payment, the original invoice and/or receipt must be kept with the purchasing card transaction as supporting documentation which must comply with the guidelines set forth in TTUHSC OP 72.15 – Purchasing Card Program.

If a department cannot provide an original receipt or invoice, the department must provide a statement that the payment had not been previously made so duplicate payments may be avoided. Extra caution should be exercised in reviewing and researching invoices

from vendors to identify invoices that are more than 30 days old. Past due invoices may not be processed with the Purchasing Card or through the Direct Pay System; they must be processed thru TechBuy. The payment of interest to vendors may apply as required by the State of Texas Prompt Payment Law (see OP 72.10).

Important: Be Sure You Know Before You Commit – Contact Payment Services prior to incurring an expense if you are unsure whether it is proper and/or may be reimbursed. The person incurring the expenditure has the burden of determining whether it is proper or reimbursable prior to making a commitment. Failure to do so results in a forfeit of the right to payment or reimbursement.

Any request for an employee reimbursement with original receipts must be submitted within 60 days of when the expense was paid or incurred, whichever occurs first. Any reimbursements after 60 days will be considered taxable reimbursements (IRC §62(c)) to the employee which must be submitted through EOPS.