

## Purchasing Accountability and Risk Analysis Procedure

Texas Government Code 2261.256 states that each state agency shall develop and comply with a “Purchasing Accountability and Risk Analysis Procedure” by providing for:

**Objective 1:** Risk Analysis of Fraud, Abuse or Waste

**Objective 2:** Enhanced Contract Monitoring

**Objective 3:** Purchasing accountability and Staff Responsibilities

### Objective #1

Contract Selection Process - Section 51.9335 of the Texas Education Code authorizes institutions of higher education to use best value procurement processes which provide greater flexibility in the procurement of goods and services. TTUHSC ensures that awards for the purchase of goods/services are compliant with the mandatory evaluation criteria required by the Best Value Statute and specified in the solicitation. Reference Section IV of the TTUHSC Contract Management Handbook and TTUHSC OP 72.01.

Contract Provisions - All written agreements are drafted on Texas Tech University System Office of General Council (OGC) Standard Contract templates, when possible, which are customized per the goods and/or service requirements. The essential provisions are outlined in Section VII of the TTUHSC Contract Management Handbook. All contract documents are reviewed by TTUHSC Procurement Services as applicable.

Payment and Reimbursement Rates and Methods for Different Types of Goods and Services - Payment should be consistent with the product or service for which TTUHSC contracted. Prior to payment, invoices must be reviewed by TTUHSC staff familiar with the goods and services and the current status of delivery. TTUHSC OP 72.09 outlines the payment process for invoices, payments, third party contracts and the withholding of payment.

### Objective #2

Enhanced Contract Monitoring– TTUHSC monitors all contracts, especially those which are subject to enhanced risk opportunities for fraud, abuse or waste. Reviewing the Scope of Work and other contract terms, including contractor compliance requirements to minimize risks, is the most productive preventive function and the most cost effective for TTUHSC. See TTUHSC Contract Management Handbook form “Contract Administration Checklist”.

Contract Management Review- The TTUHSC Contract Management Handbook Section VIII, outlines the responsibilities of the Contract Manager.

### Objective #3

Authority to Enter Contracts – TTU System Board of Regents Rule Chapter 07 - Fiscal Management states that actual authority is required to act on behalf of and bind TTUHSC. Actual authority is granted through written delegations of authority by the Board of Regents to sign on behalf of TTUHSC. In spite of delegations of authority to sign contracts, certain contracts will require Board of Regents approval.

Contract Administration – Contracts at TTUHSC are managed at the department level with oversight by Procurement Services. The contracting function is a collaborative effort. Departments must verify

contractor performance for purposes of payment, identify and notify Procurement Services of any material breaches of the contract, determining if corrective action is necessary, and initiating action if required, developing a completion plan for contractor exit requirements, and keeping Procurement Services updated as to the issues, actions and communications with the contractor.

Acquisition of Goods and/or Services – It is the policy of Procurement Services to facilitate and expedite the purchasing function for all departments of TTUHSC with a staff of honest, ethical and qualified purchasing professionals. All personnel authorized to make procurements on behalf of TTUHSC are expected to identify the most appropriate and effective method of acquisition for each assigned requisition in order to obtain the maximum value for each dollar of expenditure. Employees are required to make all purchases, regardless of the source of funds, on a competitive basis unless otherwise authorized by law, TTU System policy, or TTUHSC policy. TTUHSC requires honest and ethical conduct of all employees who are authorized to make purchases on behalf of TTUHSC in accordance with Section II of the TTUHSC Contract Management Handbook and TTUHSC OP 52.06. Demonstration of ethical behavior includes giving no special consideration to bidders, not accepting gifts or gratuities that might in any way result in an expectation or obligation to individuals or companies seeking business, and complying with this procedure and all related laws, rules, and regulations.

Reference:

[Texas Education Code Section 51.9335](#)

[TTU System Regent's Rules](#)

[TTUHSC Operating Policies](#)

[TTUHSC Contract Management Handbook](#)