

1.0 GENERAL PROCESSES

1.1 Mission, Vision and Goal Statements

Mission Statement

The mission of the Finance Division and the Purchasing/Contract Administration Section is to ensure the acquisition of goods and services for agency customers.

- In the right quantity.
- At the right time.
- Of the right quality.
- At the right place.
- From the right vendor.
- Best Value
- Making a good faith effort to utilize minority and women owned businesses(HUB); and
- Ensuring that vendors and agency staff meet the terms and conditions set forth in the contract.

Vision Statement

It is the vision of the Purchasing Department to be integrated and motivated working together with all programs and divisions to facilitate the seamless delivery of value-added goods and services.

Goal Statement

- Adhere to all procurement processes, procedures, rules and laws established by the agency and set forth by oversight agencies.
- Manage the uninterrupted flow of goods & services.
- Ensure quality.
- Identify and utilize suppliers who bring value, cost-effective solutions, quality products, and above-par service to TMB.
- Standardize items purchased.
- Purchase at best value for the agency.
- Obtain goods and services in a timely manner.
- Administer contracts to ensure that contractors and agency staff adhere to the terms and conditions of a contract.

1.2 ORDER CONSOLIDATION

Definition To consolidate is to combine like items onto the same purchase order, quote, or IFB. This is normally done to take advantage of bulk pricing and to cut down on administrative costs. Consolidation can also be a way of saving on freight costs.

Like Items Like items can be defined as being the same items, similar types of items, or items that are all likely to be carried by a particular type of vendor (i.e. an office supply store).

Methods of

- Communicate with customers to see what common needs they may have.

Consolidation

Ask that they submit requests by a deadline in order to combine them into one order.

- Set up blanket orders that combine several requests for the same item from various divisions.
 - Attempt to avoid ordering individual items on one purchase order, unless absolutely necessary.
 - Set up service contracts to combine common needs.
 - Commonly requested items are stocked in the supply room.
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1.3 DOCUMENTATION

Definition

Documentation is the maintenance of a written purchase history.

The Importance

Documentation is an essential part of the purchasing process. An accurate written record must be compiled for each individual purchase to show that it was done correctly, fairly and justifiably.

- Documentation may be used to:
- Resolve order discrepancies
- Justify decisions made by the agency
- Demonstrate that a purchase is in compliance with agency policy and state law
- Protect the agency from legal action

In addition, members of the public are entitled to information regarding procurements made by the agency. Much of the documentation in purchasing files is subject to the Open Records Act.

Audit Exceptions

The agency's files are subject to audit by a variety of entities. These may include:

- Internal auditors
- CPA auditors
- State auditors

Files that are not documented correctly may be subject to audit exceptions. The agency also may be subject to loss of purchasing authority or funding if an excessive number of audit exceptions are found.

Documenting Files

The purchaser is accountable for documenting all purchases that he or she processes. The purchaser must be familiar with the documentation needed for each type of purchase.

Vendor Contact The purchaser should document all vendor contact, particularly telephone conversations when verbal commitments are made. The name of the person, date and time that the conversation took place should be noted and included in the purchasing file.

When vendors request bid tabulations, the purchaser should provide the information as soon as possible.

1.4 HOW TO PROCESS AN ORDER

Step 1.
Requestor Requestor submits requisition to Division Director/Manager for approval through the CAPPS program. After obtaining all required signatures the CAPPS program notifies Finance with necessary backup documentation.

Step 2.
Finance Staff Reviews all requisitions submitted by requestor(s) to ensure proper approvals have been obtained before approving the requisition in CAPPS.

Note: The Purchasing staff may also perform functions described in step 1.

Step 3.
Purchasing

- Purchasing receives all final approved new requisitions through the CAPPS program.
- Determines the appropriate procurement method and processes orders.
- Purchasing prepares file and enters Purchase Order (PO) into the CAPPS program.
- Sends PO to the vendor.
- Sends a copy of the PO to Staff Services Officer and the requestor.

Step 4.
Receiving

- Invoices received through the mailroom are date stamped and given to Accounting.
- Items received in the mailroom are matched with a PO and the packing/receiving slip is date stamped and given to Accounting.
- Division or requester is notified that their item(s) are in.

**Step 5.
Accounting**

- Receives the invoice and any required proof of delivery such as the packing/receiving slip.
 - Receives invoice, checks for PO number on invoice and matches it to the PO through the CAPPs program.
 - Once a three-way match has been made, Accounting will release the PO in the CAPPs program, and post the Encumbrance Transaction, and updates the information.
 - If an invoice is received without a PO for the item/service. Accounting will send the invoice to the appropriate division(s) and request the Division(s) prepare a PR and send the PR to Purchasing for processing.
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1.5 EXPEDITING ORDERS

Definition

To expedite means to process an order more quickly than usual. This action is often referred to as placing a “RUSH” order.

Note: Expedited orders may require faster processing or delivery time for various reasons but are not considered “Emergency Purchases” (see Section 2 on Emergency Purchases).

Expediting Requests

Purchasers are frequently asked to process requests as “RUSH” orders. However, before an order can be placed, the request must appear in CAPPs with the proper approval and a statement explaining the reason for expediting the request.

Purchasing will use discretion in determining which requests need to be expedited, based on factors such as workload processing time.

Expediting Orders

Once the order is ready to be placed, the purchaser may use one or more of the following methods to expedite the order:

- Do a confirming order, if the vendor agrees
 - Request rush processing and/or delivery from the vendor
 - Have the item direct shipped
 - Arrange for pick-up by the division
 - Request priority shipment from the Receiving Section
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Expediting Term Contract Orders

In some cases, term contract vendors will agree to reduce delivery time or process confirming order. However, the term contract does not require them to offer these services. The purchaser should always contact the term contract

vendor first to verify that the order can be expedited (see Section 5 on Term Contracts).

1.6 PURCHASE CATEGORY CODES (PCCs)

Introduction The following Purchase Category Codes (PCC) are for use in the Uniform Statewide Accounting System (USAS) with document type two (2). PCCs are codes used to document the purchase method, commodity type, and dollar category of purchases.

Purchasers will be working with the following PCC codes throughout the procurement process. Each purchase order file will be accompanied with the “Purchasing Compliance Checklist as part of the purchasing audit requirements.

The PCC Codes	<p>A - Purchases of items from CPA term contracts using the CPA automated purchasing system (Automated purchase orders) or the Contract Purchase Requisition form sent in to CPA for data entry into the system. <i>See CPA Rule 34TAC 20.40 - CPA Term Contract Purchase.</i></p> <p>B - A purchase with a pre-scheduled bid opening date, allowing CPA to confirm orders for goods (e.g., calendars, groceries, fertilizer, etc.). <i>See Section 2.9 on Scheduled Purchase Contracts.</i></p> <p>C - Purchases from CPA Non-Automated term contracts using the hard copy requisition/purchase order forms rather than the automated purchasing system (PCC A), e.g. custom blank forms, custom printing on envelopes, paper, etc. <i>See CPA Rule 34TAC 20.40 - CPA Term Contract Purchase.</i></p> <p>D - Purchases of information technology commodities or services not available through DIR contracts. <i>CPA Rule 34TAC 20.391 – Request For Offer Purchase Method.</i></p> <p>E - Purchases of commodities and services when the total purchase is estimated to be \$0.00 to \$5,000.00. <i>See CPA Rule 34TAC 20.41 - Delegated Purchases.</i></p> <p>F - Purchases of commodities (not services) in the total estimated amount of \$5,000.01 through \$25,000.00. <i>See Rule 34TAC 20.41 - Delegated Purchases.</i></p> <p>G - Purchases on the Open Market by CPA. A purchase of goods, usually in a specified quantity, made by buying from any available source in response to an open market requisition from an agency. Items are not on CPA term contract. <i>See CPA Rule 34TAC 20.33 through 20.40 - CPA Open Market Purchase.</i></p> <p>H - Purchases in any category paid for with a procurement card. Agencies using</p>
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a procurement card from CPA term contract for commodity class 946-A1.
See CPA Rule 34TAC 20.41 - Delegated Purchase.

I - Purchases of items from DIR Contracts. *See Texas Government Code, Chapter 2157 - Purchase of Automated Information Systems.*

K - Purchases of publications directly from the publisher with no dollar limits. *See CPA Rule 34TAC 20.41 (e) (5) Delegated Purchases; Publications.*
Required documentation - The purchase order or requisition file must contain the following signed declaration:

"Not available from any other source."

No proprietary justification or best value statements are required if the signed declaration is listed on the purchase order/requisition.

Note: Purchases for Libraries are exempt (see Section 4.5 Exemptions). These type of exempt purchases should be coded Document type 9 and do not need a PCC code.

L - Purchases of perishable foods, e.g. fresh fruit, eggs, ice, etc. with no dollar limits. *See CPA Rule 34TAC 20.41 - Delegated Purchases.*

M - Purchases of distributor items, e.g. repair parts for a unit of major equipment that are needed immediately, or maintenance contracts for laboratory/ medical equipment with no dollar limits. *See CPA Rule 34TAC 20.41 - Delegated Purchases.*

P - Purchases of petroleum products, e.g. fuels, oils, and greases - (class 405) with no dollar limits. *See CPA Rule 34TAC 20.41 - Delegated Purchases.*

Q - Purchases of services in the amounts estimated to be \$5,000.01 but less than \$25,000.00 for the total contract within a one year period. *See CPA Rule 34TAC 20.41 - Delegated Purchases.*

X - Purchases of items from TXMAS Contracts. *See CPA Rule 34TAC 20.47- Multiple Award Schedule.*

S - Purchases of services in an amount estimated to exceed \$25,000.01 for the total contract within a one year period. *See CPA Rule 34TAC 20.41 - Delegated Purchases.*

T - Emergency purchases of goods and services exceeding \$25,000. An emergency is defined as a situation requiring the state agency to make the procurement more quickly to prevent a hazard to life, health, safety, welfare, or property or to avoid undue additional cost to the state. *See CPA Rule 34TAC 20.32 and 20.41(a) (2) - Emergency Purchases.*

J, N, O, R, U, V, W, Y, Z - Not Used.

	<p><u>Document Type Nine (9)</u> This document type is for the purchases of goods and services exempt from competitive bidding or from the purchasing authority of the CPA by a specific statute. The agency requisition number/order number and PCC are not required. The legal cite must be referenced on the purchase documentation for these purchases. Items purchased from CPA term, open market, and schedule orders are not exempt. Please refer to the section on Exemptions for a list of some exemptions.</p>
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1.7 FOLLOW-UP PROCEDURES

Definition Follow-up involves maintaining contact with agency customers, vendors and other administrative operation divisions to ensure that the purchasing process is successful.

Requisition Follow-Up This will ensure that customers are aware of the status of their requisitions until an order has been placed with the vendor. A copy of the Purchase Order will be sent to the requisitioners.

Purchasers will be accountable and responsive to the TMB Customers by:

- (a) Providing updates on more complex requisitions (orders over \$20,000) as needed.
- (b) Returning customer/vendor calls within one (1) working day of receipt.
- (c) Initiating resolution within two (2) working days of initial customer inquiries; and resolving problem within one week of initiative, whenever possible.

Order Follow-Up This is performed after the order or change notice has been sent to the vendor. It ensures that goods or services are delivered properly and at the time needed. Follow-up of this type is done on an as-needed basis. The purchaser determines which orders need additional attention to guarantee that they are completed correctly and on time. Order follow-up may involve contacting both the vendor and the Receiving Section or ordering division.

Situations that may require follow up:

- Orders for large dollar amounts
- Orders with critical delivery dates
- Rental equipment delivery or removal

1.8 INSPECTIONS:

Agency Inspections Agency inspections should take place as soon as possible after merchandise is received. Orders shipped to TMB are normally inspected by the Staff Services

Officer. When direct shipment is made, inspection may be performed by the customer. On occasion, a purchaser may be called upon to inspect items to verify that quality standards are being met.

CPA Inspections

CPA performs periodic random inspections to ensure that the term contract and open market items meet specifications and are being delivered in a timely manner. In addition, the agency may request that CPA inspect problematic orders. To request an inspection, contact either the CPA purchaser of the commodity.

Returns

In instances where items are damaged or defective, the Receiving Section will coordinate the return. However, if items do not meet specifications, Purchasing will be responsible for making the return.

Documentation

All unsatisfactory inspections and/or merchandise returns should be carefully documented. A history of poor vendor performance or unsatisfactory products may justify cancellation of a contract.

All vendor performance information for term contract or open market orders should be communicated to CPA.

Product Testing

Testing of products or samples is sometimes needed to confirm that items offered by the vendor fulfill quality standards.

Normally, testing is done to “pre-qualify” vendors or is required prior to acceptance. The type of testing that will be done and the criteria to be used for evaluation must be clearly outlined in the Invitation for Bid.

Testing is often performed by the customer or by technical staff. The purchaser should coordinate with the appropriate parties, making sure that any deadlines for testing completion are met.

1.9 CONSUMABLE/SUPPLIES

Introduction The requisitioner must submit a requisition via the CAPPS program to begin the procurement process. It must include, at minimum:

- A description of the supply item(s)
- The quantity required
- The dollar amount(if known) not to exceed

If possible, include:

- Vendor Name(if known)
- Prior Purchase Requisition, a quote, or Purchase Order number
- Additional information from other sources is also helpful

Compare the requirements and specifications with the commodities and services provided and see if the item(s) can be purchased through Texas Industries for the Blind and Handicapped (TIBH), Texas Correctional Industries (TCI) or Department of Information Resources (DIR). It is a STATE requirement to check with TIBH and TCI to determine if they have the products available first. If they carry the items, we must purchase through them first.

Purchasing Method There are several ways in which consumables may be purchased. The Purchaser should determine if the items are available from the following sources. The research for these items must be done in the order listed below.

Determine if the item(s) are available through:

- 1) TIBH
- 2) TCI/TDCJ
- 3) DIR
- 5) CPA – Term Contracts and TXSmartbuy

Cost and Delivery Information Typically, there is no minimum order although some vendors require a minimum purchase in order for there to be no charge for shipping. Contact the vendors to confirm pricing and shipping charges (if applicable). Note contact person and other information on the Purchase Order.

Spot Purchase If it has been determined that all other purchase methods cannot be used, the
Option Purchase Purchaser should proceed in procuring the good as a delegated service.

The spot purchase limit is \$5,000.00.

The Process The following steps outline the procedures for spot purchasing consumables or supplies under \$5,000.

Step	Who	Action
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Step	Who	Action
1.	Requisitioner	Inputs the requisition with any additional information into the CAPPS program where it is routed for approval.
2.	Purchaser	Receives the approved requisition notification through the CAPPS program.
3.	Purchaser	Checks to determine if the requisition requires additional approval. If not, the purchaser will proceed to the next step.
4.	Purchaser	Obtains pricing from one or more vendors, using a HUB when possible.
5.	Purchaser	Gathers and combines several purchase requisitions together if possibly to issue one Purchase Order. <ul style="list-style-type: none"> • Use PCC Class/Item • Use of same vendor Note: Always double-check the Commodity Code Book listings.
6.	Purchaser	Prepares the purchase order using the CAPPS program with the quote information obtained and requisition and verify: a) CMBL b) EPLS c) Debarred Vendor List Note: Vendor must be in good standings with the CPA and must not be on the SAM system.
7.	Purchaser	Purchaser sends PO to the vendor.
8.	Purchaser	Purchaser sends a copy of the PO to Staff services Officer and the requisitioner.

2.0 SPECIALIZED PROCUREMENTS:

2.1 EMERGENCY PURCHASE

Definition The following is taken from the CPA purchasing rules in regard to emergency purchases: “Emergencies occur as the result of unforeseeable circumstances and may require an immediate response to avert an actual or potential public threat. If a situation arises in which compliance with normal procurement practice is impracticable or contrary to the public interest an emergency purchase may be warranted to prevent a hazard to life, health, safety, welfare, property or to avoid undue additional cost to the state.”

Note: When there might be a potential interruption of service or service disconnection or when an invoice is within 5 days of prompt pay it is considered an Emergency Situation.

General Information CPA has delegated to all state agencies the authority to make emergency purchases. The decision to declare an emergency purchase is the sole responsibility of the ordering agencies Executive Director. Emergency purchases require a letter of justification documenting the emergency which must be signed by the CFO or an authorized representative and becomes part of the file. Competitive bidding, evaluation, awarding, and handling vendor complaints or protests for emergency purchases are the responsibility of the agency. (See page 29 of the Procurement and Contract Management guide.)

Procedures The following steps outline the procedures for emergency purchases:

Step	Who	Action
1.	Purchaser	Works with the agency to prepare the emergency justification form and coordinate Executive Management approval. The form must include the following information: <ul style="list-style-type: none">• The nature of the emergency purchase (hazard to life, health, safety, welfare, or property or to avoid undue additional cost to the state).• What caused the emergency.• The estimated impact or damage either financial or otherwise that will occur by following normal procurement practices (general statements of loss or nominal damage are not acceptable).
2	Purchaser	Attempts to obtain the required number of bids, if possible.
3.	Purchaser	Post on ESD the advertisement and/or the award notice for purchases over \$25,000
4.	Purchaser	Documents the purchasing file.

2.2 DISASTER RECOVERY PURCHASES:

Introduction Divisions and Program Areas must follow the procedures outlined below when requesting emergency goods or services while the agency is in Disaster Recovery Mode. The agency will utilize a manual requisition and order process if needed. If you have any questions, please contact the Purchasing Section at (512) 463-7063.

NOTE: Only orders that are deemed emergencies by the Executive Director will be processed using this established procedure.

Procedures The following steps outline the procedures for Disaster Recovery purchases:

Step	Who	Action
1.	Requisitioner	Completes the Purchase Requisition in the CAPPs program where it is routed for required signature approval.
2.	Purchaser	Determines if additional approvals are required and forwards for signature.
3.	Purchaser	Processes the order and forwards the order information to the program areas requester and Staff Services Officer.
4.	Purchaser	Documents the purchasing file.

2.3 DIRECT PUBLICATION

Definition A direct publication is an item which must be ordered from its publisher or producer because **it is not available from any other source.** Any publication that could be purchased using a competitive process is not considered a direct publication. Competitive bidding is not required and there is no dollar limit on this type of purchase.

Examples Direct publications may include the following:

- * Direct subscriptions
 - * Foreign publications
 - * Back issues of magazines, journals, and newspapers
 - * Publications of professional societies
 - * Prepared videos, films, audio tapes, and laser disks
 - * Computer software not available through DIR or the catalogue purchase procedure
 - * Electronic data service directly from the publisher
 - * Microfilm or microfiche
 - * Library of Congress cards
 - * Theses, dissertations, research findings and academic publications

Required Statement

The requisition file must include a signed document that contains the following declaration:

"Not available from any other source."

2.4 PROPRIETARY PURCHASE

General Information

A proprietary product or service has a distinctive characteristic that is not shared by competing products or services. When the specification limits consideration to one manufacturer, one product or one service provider, the purchaser must include a written proprietary purchase justification in the procurement file. Proprietary justification is not needed for purchases of \$5,000 or less.

Procedures

The following steps outlines the procedures for preparing a proprietary purchase justification:

Step	Who	Action
1.	Requisitioner	Prepares a proprietary justification letter. The document should include the following information: <ul style="list-style-type: none">○ The need for the proprietary specification○ The reason competing products are not satisfactory○ Any other information requested by CPA, if applicable If commodities and/or services are \$5,000 -\$25,000, go to step 2. If commodities and/or services are \$25,000 or greater, go to step 3.
2.	Requisitioner	Routes justification for Executive Management approval and sends to Purchasing.
3.	Purchaser	Creates a "Memorandum to File" to be retained in Agency procurement file.
4.	Purchaser	Works with Requisitioner to create a Formal Letter with the Open Market requisition and submits to CPA. The Formal Letter should be addressed as follows: Comptroller of Public Accounts Attn: Texas Procurement and Support Services (TPASS) P.O. Box 13186 Austin, TX 78711 Signature is required from the Executive Director.
5.	Purchaser	Includes a copy of the proprietary justification in the procurement file. Note: If submitting a CPA Open Market Requisition Form, include the justification letter with the requisition.

6.	Purchaser	<p>Includes the following statement in the specifications if an Open Market Formal Purchase or a Request for Proposal (RFP) is performed:</p> <p>“This solicitation is being advertised under TX. Govt’. Code, Section 2155.067. The issuing office believes that the requested items are proprietary to one manufacturer and/or to the specifications. Only responses conforming exactly to these specifications will be considered in determining an award. The issuing office strongly encourages responses from all qualified vendors who may be able to provide the specified items.”</p>
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2.5 SCHEDULED PURCHASE

Definition CPA coordinates purchases of certain items for all state agencies on a fixed calendar basis. This is known as scheduled purchasing and is done to take advantage of large volume buying.

General Information Requests for scheduled purchases must be submitted to the CPA by a specified deadline. All requests are then combined into one order and competitively bid by CPA. Orders are usually done annually, bi-annually or quarterly. The following chart outlines the agency’s bidding requirements for delegated purchases. Note that these are minimum requirements; it may sometimes be advisable to contact additional vendors to obtain better pricing, a more accurate picture of the market, or increased participation from HUB vendors.

Note: The information below does not apply to catalogue, emergency, or exempt purchases.

Total Amount of Purchase Order	Bidding Requirements
\$0 - \$5,000.00	No bids required use of a HUB vendor is preferred
\$5,000.01 - \$10,000.00	3 informal bids from vendors from the CMBL
\$10,000.01 - \$25,000.00	Solicit a minimum of 3 formal bids from vendors from the CMBL.
Goods over \$ 25,000.00	Open Market Purchase
Services \$10,000.00 - \$100,000.00	Solicit formal bids from all eligible vendors on the CMBL.
Services over \$100,000.00	Open Market purchase

2.6 PROFESSIONAL SERVICES

Definition Texas Government Code Section 2254 specifically empowers governmental entities to purchase professional services and consulting services.

Examples Professional services must be within the scope of practice as defined by Texas Government Code Section 2254.002 or provided in connection with the professional employment or practice of a person who is licensed or registered as:

- Accounting - a certified public accountant (CPA);
- Architecture - an architect;
- Landscape Architecture;
- Land Surveying - a land surveyor;
- Medicine - a physician, including a surgeon;
- Optometry - an optometrist;
- Professional Engineering - a professional engineer;
- Real Estate Appraising - a state certified/licensed real estate appraiser; or
- Professional Nursing - registered nurse.

2.7 CONSULTING SERVICES

Definition Texas Government Code defines a consultant service as the human service of studying or advising an agency under a contract that does not involve the traditional relationship of employer and employee.

General Information If the consulting service is reasonably foreseen to exceed \$15,000 during the term of the contract, the agency shall submit a notice of intent to the LBB and the Governor's Budget and Planning Office and obtain a finding from the Governor's office that the services are necessary. Thirty days before entering into such a contract, an invitation for offers from consultants must be published in the Texas Register. Not later than the 20th day after entering into a consulting services contract with a value expected to exceed \$15,000, or \$25,000 for an institution of higher education, a description of the services, the name, and value of the contract must be published in the Texas Register.

These requirements do not apply to the acquisition of certain services such as those provided by private legal counsel, investment counselors, actuaries, medical or dental services, and professional services listed under the Professional Services Procurement Act.

Note: If the professional or consulting service contract is anticipated to exceed \$25,000, a notice or the entire solicitation must also be posted on the Electronic State Business Daily.

3.0 SET-A-SIDE CONTRACTS:

3.1 TXMAS CONTRACTS

Introduction The Comptroller of Public Accounts, Texas Procurement and Support Services (TPASS) has established, as an alternative purchasing method, the use of Texas Multiple Award Schedule (TXMAS) contracts that have been developed from contracts that have been competitively awarded by the federal government or any other governmental entity of any state. Unlike some other purchasing methods, purchases made from TXMAS contracts do not require delegated authority from the CPA to make purchases over \$25,000 for commodities and \$100,000 for services.

TPASS Procedures TMB purchasers must follow the procedures as outlined in the TPASS procurement manual. The procedures can be found at:

<http://www.cpa.state.tx.us/procurement/pub/manual/2-9-1.pdf>

3.2 TEXAS INDUSTRIES FOR THE BLIND AND HANDICAPPED (TIBH)

General Information Commodity items and services offered in the Texas Industries for the Blind & Handicapped (TIBH) catalog are reviewed and approved by the Texas Council on Purchasing from People with Disabilities (TCPPD). The council's purpose is to encourage and assist disabled persons to achieve maximum personal independence by engaging in useful and productive activities.

Please note the following:

- If a product is approved, it is set aside from competitive bidding and is put on a CPA term contract
- Purchases of services, approved by TCPPD, from the TIBH catalog do not require competitive bidding

3.3 TEXAS CORRECTIONAL INDUSTRIES (TCI)

General Information Competitive bidding is not required for items purchased from Texas Department of Criminal Justice (TDCJ) under the Prison Made Good Acts, except for printing. Printing requires three bids, and one bid must be from TCI.

Prison Made Good Acts The Prison Made Goods Act requires that an agency purchase goods made by and services offered by TCI. If a product/service offered by TCI as set forth in its catalog of products and services needs to be purchased from a source other than TCI, a waiver from TCI must be obtained. The waiver request can be based on a substantial difference in specifications which could include delivery, or on substantial price differences, or both.

Note: TCI is located on the CMBL list and bids for printing must include a bid or no bid response (in lieu of the waiver) for this commodity.

3.4 TXSMARTBUY

General Information TxSmartBuy (TSB) replaced the functionality in the Statewide Purchasing System where products are searched for and entered. TSB generates electronic purchase orders (Pos) that are sent immediately to contractors.

4.0 DELEGATED PURCHASES:

4.1 INTRODUCTION

The following chart outlines the agency's bidding requirements for delegated purchases. Note that these are minimum requirements; it may sometimes be advisable to contact additional vendors to obtain better pricing, a more accurate picture of the market, or increased participation from HUB vendors.

4.2 AGENCY BIDDING REQUIREMENTS

Note: The information below does not apply to catalogue, emergency, or exempt purchases.

Total Amount of Purchase Order	Bidding Requirements
\$0.00 to \$5,000.00	No bids required--HUB preference
\$5,000.01 to \$10,000.00	3 informal bids from vendors from the Central Master Bidders List
\$10,000.01 to \$25,000.00	Solicit a minimum of 3 formal bids from vendors from the Central Master Bidders List
Goods over \$25,000.00	Open Market purchase
Services \$5,000.01 to \$100,000.00	Solicit formal bids from all eligible vendors on the Central Master Bidders List
Services over \$100,000.00	Open Market purchase Note: If approved by CPA, process same as above

***When obtaining formal bids, at least one minority and one woman-owned business must be contacted.**

Up to 5,000.00

This level of spot purchase does not require competitive bidding. However, it may be worthwhile to contact several vendors to establish a fair market price. HUB vendors who can provide the needed items at a reasonable price should be contacted whenever possible.

Note: Large purchases may not be divided into smaller lots and processed as spot purchases.

Step	Action
1.	Obtain an accurate and complete description of the item.
2.	Verify stock numbers, if provided.
3.	Locate a vendor from one of the following sources: Centralized Master Bidders List, HUB Directory, vendor mailings or catalogues, yellow pages, Minority Development Centers, Chambers of Commerce, business card file, local source, or recommended vendor.
4.	Contact at least one vendor, preferably a HUB, to obtain pricing. Note: Be sure that the vendor includes any freight or handling charges in their price quote.
5.*	Prepare purchase order.
6.*	Fax or scan purchase order to vendor.

**\$5,000.01 to
10,000**

Purchases exceeding \$5,000 but less than \$10,000 require informal bid procedures. Obtain a minimum of three telephonic/fax bids from vendors on the CMBL with two from the CPA certified HUB list (one from a woman, any ethnicity and one from a minority). The bid list may be supplemented with non-CMBL vendors. Bids may be obtained via telephone or by fax.

Special Notes:

- If the goods or services are DIR (see DIR Purchases).
- The pricing request should include a description of the services or goods being requested and specify the length of time the price is good for.
- Purchasing files must be properly documented to reflect research conducted or any special requirements of the order.

Place the Order

- CMBL and non-CMBL (if applicable) bidders contacted.
- Name of agents contacted and their telephone numbers.
- CPA certified HUB ethnicity/gender indication.
- All responses; include the dollar amount and indicate no bids.
- Indicate awarded vendor.

Place the Order

Award the contract to the bidder submitting the lowest and/or best bid conforming to the required specifications, terms, and conditions or best value criteria stated in the bid request. Issue a purchase order to include:

- Agency name and address;
- Agency requisition number;
- Date of the order (delivery period or beginning and ending dates of service);
- Awarded vendor's name, payee/vendor identification number, and address, including zip code;
- Commodity class and item number;
- Purchase category code
- Description and specifications of items or services being procured (either include all specification from the bid response
- Or reference that the order includes "all terms referenced in the IFB".
- Quantity and unit of measure, if applicable;
- Unit price, if applicable;
- Extended totals;
- Total amount to be paid; and
- Signature of authorized/certified purchasing representative.

Audit Requirements

- Signed Purchase Order (see items in Place the Order)
- Bid Tabulation (see Bid Tabulation Requirements)
- Scope of work, work sheet, vendor quote or price list (if applicable)
- Comptroller screen verification

\$10,000.01 Purchases exceeding \$10,000 but less than \$25,000 for goods and \$100,000 for services
To may require competitive bid procedures.
\$25,000.00
(goods) and
\$100,000.00
(services)

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5.0 DEVELOPMENT OF SOLICATION DOCUMENT

The first step in developing a specification document is to prepare the statement of work or specifications. Once the specifications are complete, they are merged into an Invitation for Bid, Request for Offer, Request for Proposal or Request for Information document. Purchasers should work with the program customer to develop the statement of work based on the following:

- **Project Overview , Task and/or Objectives**
Describe the project or task objectives. This should include information such as the purpose of the project, program or divisions involved, the project scope, its intended users, and a list of the primary project objectives.
- **Scope of Work and Deliverables**
Task(s) – [Descriptive Title]
The description should be sufficiently detailed to enable both the TMB and the Contractor to have a clear understanding of the nature of the work to be performed and the approach for performing the task. Provide a description of the task (including subtasks as applicable).
- **Contractor Staff, Roles, and Responsibilities**
Specify the qualifications, roles, and responsibilities of the Contractor’s staff that will be required.
- **Deliverables Required**
List and provide the formal name of all deliverables and all, or part, of it must result from the above task. Where possible provide the purpose, content, and the delivery method (i.e., the form and the person/location to which the delivery will be made).
- **Assumptions**
State any assumptions that may be unique to this task. If there are none, then omit this paragraph.
- **Estimated Schedule**
Provide a schedule that reflects the estimated time frame for completion of the services detailed in this SOW. The schedule/timeline should include the major tasks/subtasks and milestones. The estimated schedule may be critical dates or milestone expectations.

- **State Staff, Roles, and Responsibilities**

Identify TMB, staff who will be involved, naming individuals or positions key to the project, and describe in detail their roles and responsibilities. Also indicate other resources that may be provided in support of the SOW.] Some **EXAMPLES** are:

1. Determine if an individual will be designated to serve as the Contract Administrator and/or Project Manager.
2. Determine what type of access would be required of TMB staff and documentation to complete the contract deliverables.
3. Establish review schedule for submitted work products and approval process for such deliverables when completion criteria are met.
4. Determine if office space, LAN connection, Internal E-mail connection, copiers, use of PC and office software (e.g., word processor, spreadsheet), telephones, and miscellaneous office supplies are required.
5. Establish plan of action to review work plans, forms, draft documents, and reports as related to services being provided.

- **Task Completion Criteria**

Provide a description of the task (including subtasks as applicable). The description should be sufficiently detailed to enable both the TDI and the Contractor to have a clear understanding of the nature of the work to be performed and the approach for performing the task.

- **Acceptance of Deliverables**

Determine acceptance criteria for the contract. Examples:

1. **General.** Except where the Contract provides different criteria, work will be accepted if it has been performed in accordance with the applicable task completion criteria specified in the Statement of Work.
2. **Submittal and Review.** Upon written notification by Contractor that a deliverable is completed and available for review and acceptance, TDI will promptly review the deliverable within 10 business days after the deliverable is presented to the Contract Administrator. A failure to deliver all or any essential part of a deliverable shall be cause for non-acceptance.
3. **Notification of Acceptance or Rejection.** If TDI disapproves deliverable, TDI will notify Contractor in writing of such disapproval, and will specify those items which, if modified or added, will cause the deliverable to be approved. With respect to rejected deliverables, the parties agree to repeat the process for a maximum of three iterations. The payment by TDI for completed tasks is contingent upon correction of all such deficiencies and acceptance by TDI.

- **Other Contractor Responsibilities**

In addition to the tasks specified above, the Contractor will have the additional responsibilities. List and provide a description of all contractor responsibilities not covered in the task descriptions.

Obtain Bids

- Purchasers must solicit formal bids to eligible vendors on the Centralized Master Bidders List (CMBL) utilizing the following criteria.

- Under \$25,000, a minimum of 3 vendors.
- Over \$25,000, all vendors on the CMBL.
- Bids must include a public bid opening date, time, and place (physical address).
- Bidder affirmation clauses are required by law when soliciting formal bids. The Texas Family Code statement must be included with all invitations for bids
- Additional clauses which may be needed for specific purchases include the following clauses:
 - ADDITION/DELETION
 - EXTENSION
 - FUNDING OUT
 - EXCESS OBLIGATIONS
 - PRICING ESCALATION
 - USAGE
 - AUTHORIZED RELIEF FROM PERFORMANCE (Force Majeure).
 - RFP solicitations must be preapproved by CPA

Open Bids – Special Considerations

- If bid opening is canceled, return all bids unopened to bidders; oral bids may not be accepted when formal bids are requested.
- a bidder may withdraw his bid upon written request at any time prior to the bid opening date and time; any bid received after the date and time established by the IFB is a late bid and will not be considered.
- Return late bid unopened to the bidder. Retain documentation of the late bid in the purchase file; bid prices or conditions may not be altered or amended after bids are opened except to correct errors in extension; bid cannot be accepted unless signed prior to bid opening; and bid cannot be altered or amended after opening time.

Review Bids – Factors to be considered when making the award:

- unit prices shall prevail when incorrect extensions are made on the IFB;
- bid prices may not be increased after a bid is opened;
- a bidder may reduce the price after bid opening, provided the bidder is entitled to the award;
- a bid containing a self-evident error may be withdrawn by the bidder prior to an award;
- in the interest of the state, any or all bids may be rejected, either in whole or in part;
- bid prices which are subject to unlimited escalation may not be considered. A bidder may offer a predetermined limit of escalation in their bid.
- The bid should be evaluated on the basis of the full amount of the escalation;
- if a bid has a material failure to comply with the specification requirements, it must be rejected;
- awards may be made only to responsible bidders who possess the potential ability to perform successfully under the terms and conditions specified in the IFB. The bidder's past performance record should be considered;
- factors to be used in the evaluation of the award must be written in the specifications; and
- when a "brand name or equal" specification is used, bids on alternate brands must be considered, provided they meet written requirements of the specifications.

When two or more bids are offered at the same price and are otherwise equal in quality, they are considered tie bids. The purchaser must note how the tie was broken, e.g. a statutory preference or by lot.

Bid Tabulation Form - Provide the following information:

- names of all vendors contacted, names of individuals making bids, and all bid responses (include no bid returned, no bids, no response), or a statement indicating no other bidders responded or returned bids;
- HUB source statement (ethnicity/gender);
- reason for rejection of any bid;
- description of items/services (include quantities, dates, and extensions); and total dollar cost, even if the order is only an estimate.

Place the Order

Award the contract to the bidder submitting the lowest and/or best bid conforming to the required specifications, terms, and conditions or best value criteria stated in the bid request. Issue a purchase order of letter or award the following information is required:

- Agency name and address;
- agency requisition number;
- date of the order (delivery period or beginning and ending dates of service);
- awarded vendor's name, payee/vendor identification number, and address, including zip code;
- commodity class and item number;
- purchase category code;
- description and specifications of items or services being procured (either include all specification from the bid response or reference that the order includes "all terms referenced in the IFB").
- quantity and unit of measure, if applicable;
- unit price, if applicable;
- extended totals; total amount to be paid; and
- signature of authorized/certified purchasing representative.

RFP Process

If processing order as a Request for Proposal purchaser must obtain CPA approval prior to issuing bid. Purchaser shall use the same process as above taking into consideration the following

- specification must include language allowing negotiation
- determine if best and final process required
- set-up meeting with vendors
- negotiate pricing, terms and conditions