**PROCUREMENT MANUAL**

**BOOK ORDERS**

For purchases using local funds (ledgers 2-9), contact the UHCL Bookstore for your purchases. Complete a [Bookstore Department Charge Form](https://www.uhcl.edu/about/administrative-offices/procurement-payables/procurement/%7B%7Bf:63441%7D%7D) and take to the bookstore.  
  
State money (ledger 1) prepare a requisition to the UHCL Bookstore and submit to Procurement for processing.  You must include title of the book, ISBN number, quantity and the quoted price.

**CHANGE ORDERS**

To cancel or modify an existing purchase order AND the items have NOT arrived on campus, contact the Procurement Department by telephone or e-mail.  Follow up a telephone request to modify or cancel an existing purchase order with a confirmation sent through campus mail or e-mail. IF YOU ALREADY HAVE THE ITEMS, call the Shipping/Receiving Department to arrange the return or exchange of the items. Follow up the request to the shipping/receiving department with a communication to the Procurement Department stating the disposition of the purchase order. For any returned items, the vendor may request restocking and return shipment costs. These costs are the responsibility of the requesting department.

Please allow the Procurement Department to generate the appropriate CHANGE ORDER notification to the vendor. This will prevent duplicate shipments and accidental payments for returned and canceled items.

**PRINTING**

**$0 - $15,000** Department will recommend a vendor.  No bids required. The Procurement Department has the option to solicit bids at any dollar amount.  
  
**$15,001 - $25,000** Department will recommend a vendor.  The Procurement Department will solicit three (3) informal bids.  
  
**$25,001 >** Department will recommend a vendor.  The Procurement Department will solicit a minimum of three (3) formal bids.

**ADVANCED PAYMENT PURCHASE ORDERS**

When the vendor will not accept a purchase order and a check needs to be mailed with the purchase order. Advanced pay purchase orders can only be done using local funds (ledgers 2-9).

**PURCHASES FOR PERSONAL USE**

The Procurement Department cannot make purchases of merchandise for resale to employees nor can it make purchases from any source of funds that will directly or indirectly be for personal use.

**VEHICLE RENTAL**

The usage of the Texas Comptroller of Public Accounts, Statewide Procurement Division (CPA-SPD) contracts with vehicle rental agencies is preferred in accordance with the University of Houston System Administrative Memorandum [SAM 03.A.03](http://www.uh.edu/af/universityservices/policies/sam/3FicsalAffairs/3A3.pdf) on Business Travel. Such contracts include free loss damage waiver and free primary liability coverage. When an exception to the CPA-SPD contracts with vehicle rental agencies is made in accordance with the University of Houston System Administrative Memorandum on Business Travel the rental contract shall require similar coverage including purchasing a physical damage waiver and a primary liability coverage.

State Vendor rates for rental cars are available in the Texas State Travel Directory.  Please see the [UHCL Travel web page](https://public.uhcl.edu/about/administrative-offices/travel/).

For employees transporting adult students, a UNIVERSITY RELEASE form must be signed by each student traveling and attached to the request.

**PICK UP PURCHASE ORDERS**

A pick up purchase order can be issued for items that a department needs quickly. The department must pick up the vendor copy of the purchase order from the Procurement Department and present it to the vendor within 24 hours. After the item has been picked up the department must contact the Procurement Clerk so that a receiving report can be generated and signed. Accounts payable cannot pay the invoice without the signed copy of the receiving report. If the department has received the invoice at the time of pick-up, forward the invoice to Accounts Payable.

**MAINTENANCE / SERVICE AGREEMENTS**

It is suggested that all maintenance/service agreements be processed with a purchase requisition. Departments must list complete information and description of service required. Maintenance/Service Agreements are renewable by August 31 for the new fiscal year. When using state funds, any Maintenance/Service Agreements after September 1 must be pro-rated not to extend beyond August 31.

**REPAIR OF EQUIPMENT**

Repair of equipment not covered by service/maintenance contract must have a requisition submitted and a purchase order issued. Requisitions for repair service must indicate equipment make, model, serial number, UHCL tag number, and nature of repair. Failure to include this information will delay purchase order processing. For emergency repairs only, a requisition must be typed and delivered to the Procurement Department indicating the equipment make, model, serial number, UHCL tag number, and the nature of the repair before the vendor leaves the premises. If equipment is to be repaired outside the university, an Authorization for Temporary Property Removal form must be completed. Contact Asset Management for this form. In order to expedite the repair of parts of equipment, the completion and attachment of the Authorization for Temporary Property Removal form will not be necessary. Only in those cases, where the entire piece of equipment is being removed from the premises, for whatever reason, will the completed form be required.

No commitment to any vendor should be made without the prior approval of the Procurement Department.

**EQUIPMENT LEASE / RENTAL**

Contact the Procurement Department for information regarding lease/rental of equipment. To change out a copy machine, a purchase requisition must be submitted to the Procurement Department by the deadline given on the year end calendar. Copy machines will not be changed out to be delivered on September 1.

**EQUIPMENT TRADE-IN**

If the department requests new equipment and offers a trade-in of old equipment, the following information is required to process the order regardless of the source of funds:

* Age of the item (year purchased)
* Make and model number
* Serial number
* Condition
* UHCL Tag number
* Realistic estimate of current value
* Location of the item

Bids involving trade-in equipment are subject to acceptance or rejection. The requisition must include the following statement: "Trade-in at State's option, to be picked up by the contractor where is, as is."

**USED / DEMONSTRATOR EQUIPMENT**

It sometimes is necessary or advantageous to purchase used or demonstrator equipment and supplies. The most common reasons are: the inability to secure new equipment; the lack of adequate funds for new equipment; or that used equipment will satisfy the agency's need at substantial savings.  Departments can process purchases of used and demonstrator equipment by:

* Obtaining a minimum of three signed bids whenever possible. If only one bid is received, prepare a statement as to why no competition exists.
* Providing a letter or signed statement from the bidder(s) guaranteeing quality and condition of the merchandise offered.
* Providing a letter from an authorized person connected with the department which states that the equipment or supplies have been personally examined and describes the condition and value of the equipment or supplies. This letter should be submitted to the Procurement Department with the requisition.

**FOLLOW-UPS**

The Procurement Department does follow-ups on past delivery date purchase orders. When requesting a follow-up, please email the requisition number or purchase order number with the follow-up request to [UHCLProcurement@uhcl.edu](mailto:UHCLProcurement@uhcl.edu).

**HISTORICALLY UNDERUTILIZED BUSINESS (HUB) PROGRAM**

On September 19, 1995, the General Services Commission (GSC) now known as Texas Comptroller of Public Accounts, Statewide Procurement Division (CPA-SPD) repealed prior HUB program rules adopted on October 5, 1993 and adopted new rules (Article IX, Section 111, of the 1996-1997 General Appropriations Act) based on the disparity study done by the State of Texas. The new rules were effective October 4, 1995.

Current legislation mandates that each state agency and institution of higher learning establish rules and procedures for a good faith effort to increase purchases and contract awards to HUBs. This legislation assigns HUB program compliance audit responsibility to the State Auditor. Auditors will review an agency's strategic plan and Procurement records to evaluate HUB policies, goals, and programs. Upon an audit finding of a noncompliance, the Legislative Budget Board may revoke an agency's Procurement authority and the Comptroller may transfer funds appropriated for Procurement goods and services to the CPA-SPD.

CPA-SPD has set goals for the percentage of business that is to be done with HUBs by categories. See below for the breakdown of these goals.

* 11.2% for Heavy Construction
* 21.1% for Building Construction
* 32.9% for Special Trade Construction
* 23.7% for Professional Services
* 33% for Other Services
* 40% for Commodities

To see the University of Houston-Clear Lake (UHCL) purchases with state of Texas certified HUBs please [click here](http://window.texas.gov/procurement/prog/hub/hub-reporting/).

**HUB Program Commitment**

The University of Houston-Clear Lake is committed to fair and equal treatment of all vendors. It is University policy to solicit competitive bids from Historically Underutilized Businesses (HUBs), and award bids to those businesses that meet the best value requirements for the product or service being procured. HUB Program Goal. The primary HUB Program goals are to identify small, minority and woman-owned businesses and to encourage them to participate in the competitive bid process at UHCL with the objective of increasing the number of contracts awarded to HUB vendors. As a State Agency the University must comply with policies and procedures that have been developed according to Texas State laws, as well as with rules and regulations of the CPA-SPD, UH System, UHCL, and outside agencies that fund specific programs.

**Outreach**

Our external focus is working with local minority councils in the promotion and utilization of the products and services offered by HUB vendors. These groups include Houston Minority Supplier Diversity Council, Houston Women's Business Council and other state agencies. We accomplish this by sponsoring vendor fairs, attending other agency fairs, attending minority council sponsored events and providing information to vendors about the UHCL procurement process.

**Inreach**

Our internal focus is on the education of university personnel in the use of HUBs whenever possible. We accomplish this through departmental meetings, Procurement workshops and making departments aware of HUB opportunities. Procurement personnel are aware of the HUB goals that have been set and have made procuring from HUBs a priority, when possible.

**State of Texas Certification**

Why should a business become certified?

State certification provides your company with statewide visibility. After receiving certification, your company's name, types of products and services will be listed on the Texas Historically Underutilized Businesses (HUB) list. For a fee sent to the Texas Procurement and Support Services, your company also will be included on the Centralized Master Bidders' List (CMBL), which is the bidders' list for agency procurement departments throughout the state of Texas. There is no fee to be listed on the HUB list. State agencies will no longer maintain their own bidders' lists and will be accessing the HUB/CMBL to find businesses for their bidding requirements.

Certification Procedure

The Comptroller of Public Accounts, Statewide Procurement Division (CPA-SPD) in Austin administers the HUB Program for the State of Texas. You may obtain a certification application from the CPA-SPD office in Austin ([click here](http://window.texas.gov/procurement/prog/hub/)) or contact the UHCL Procurement Department.

Who is a HUB vendor?

The 76th Texas Legislature, Section 1.21, Senate Bill 178 defines Historically Underutilized Business (HUBs) as an entity with its principal place of business in this state that is:

A for-profit corporation or partnership which is 51 percent or more owned by "one or more economically disadvantaged persons because of the person's identification as a member of a certain group, including Black Americans, Hispanic Americans, women, Asian Pacific Americans, and Native Americans, and who has suffered the effects of discriminatory practices or other similar insidious circumstances over which the person has no control"

A sole proprietorship that is completely owned, operated and controlled by an economically disadvantaged person; a joint venture in which each entity is a HUB, or a supplier contract between a HUB and prime contractor.

**PREFERENCE FOR RECYCLED PRODUCTS**

Texas Government Code § 2155.445(a) provides that all entities "give preference to recycled, remanufactured, or environmentally sensitive products" as determined by CPA rule if the purchases meet applicable specifications as to quantity and quality. Health and Safety Code § 361.426(a) provides that a state agency, state court, or judicial agency not subject to Texas Government Code, Subtitle D, Title 10, a county, municipality, school district, junior or community college district, or special district shall give preference to purchasing products made of recycled materials if the products meet applicable specifications as to quantity and quality.

Texas Government Code § 2155.448(a) states that each fiscal year, CPA-SPD by rule may identify recycled, remanufactured or environmentally sensitive commodities or services. Under 34 Texas Administrative Code § 20.135 CPA-SPD may designate as "First Choice" certain recycled, remanufactured or environmentally sensitive commodities or services. These "First Choice" items include but are not limited to the following:

* Re-refined oils and lubricants
* Recycled-content toilet paper, toilet seat covers, paper towels
* Recycled-content printing, computer and copier paper, and business envelopes
* Recycled content plastic trash bags
* Recycled content plastic covered binders
* Recycled content recycling containers
* Energy Star labeled photocopiers

First Choice products essentially become the default items for purchase by state agencies including institutions of higher education; that is, state agencies shall give these products preference over virgin (non-recycled) counterparts. A state agency may choose to buy the virgin (non-recycled) material counterpart of these designated products if the agency writes a justification letter, signed by the executive head of the agency. The justification letter must state the reason(s) for the determination that the First Choice product did not meet the requirements of the agency and should include applicable supporting documentation. The justification letter must be included in the procurement file for that item.

**RECYCLING PAPER, ALUMINUM CANS & PLASTIC BOTTLES**

UHCL recycles all white (non-coated) paper, including Laser Print. It is not necessary to remove staples or paper clips from paper. Containers for paper, aluminum cans and plastic bottles are found in the building's hallways.

**PURCHASING FUND GUIDELINES**

Funding sources are one of the most important factors determining how money can be spent and what procedures must be followed.

**State Funds ~ Ledger 1**

Texas Industries for Blind & Handicapped (TIBH) must be given first consideration. TIBH catalog is available in the Procurement Department or on-line. State contracts must be reviewed and utilized whenever possible. On many items, state contracts can save a substantial amount of money.

The specific policy relative to monetary limits will be:

**$0 - $15,000** Departments will be required to recommend a vendor for the item(s) to be purchased. The Procurement Department has the option of placing the order directly to the suggested source without solicitation of bids from other vendors.

**$15,001 - $25,000** Departments will be required to recommend a vendor for the item(s) to be purchased. The Procurement Department must solicit bids from a minimum of three active vendors on the CMBL, two of which must be current Texas-certified HUBs.

**$25,001 >** Departments will be required to recommend a vendor for the item(s) to be purchased. The Procurement Department must solicit bids from a minimum of three active vendors on the CMBL, two of which must be current Texas-certified HUBs. The bid will be posted to the Electronic State Business Daily (ESBD) for a minimum of 14 days. Emergency purchases may be posted for less than 14 days.

**Local Funds ~ Ledgers 2-4**

**ON-CAMPUS VENDORS:** If an item or service is available through an on-campus vendor, i.e., Print Shop, UHCL Copy Services, Facilities Management and Construction (FMC), University Computing and Telecommunications (UCT), you must purchase it from the UHCL source.

**PURCHASE ORDER:** If an item is not available from an on-campus vendor, the specific policy relative to monetary limits will be:

**$0 - $5,000** Departments have the option to submit a requisition, pay on a voucher, or use a p-card. Departments must order directly from vendor and submit a payment voucher directly to Accounts Payable or pay using a p-card. An original vendor invoice is required as backup documentation. Verification that the tax status of a vendor was checked prior to purchase must be included in p-card documentation for purchases over $500. For some purchases, pre-approvals must be obtained and included with the backup documentation. The Procurement Department has the option of placing the order directly to the suggested source without solicitation of bids from other vendors. The Procurement Department has the option of placing the order directly to the suggested source without solicitation of bids from other vendors.

**$5,001 - $15,000** Departments will be required to recommend a vendor for the item(s) to be purchased. Departments will submit a requisition.

**$15,001 - $25,000** Departments are required to recommend a vendor for the item(s) to be purchased. The Procurement Department must solicit bids from a minimum of three active vendors on the CMBL, two of which must be current Texas-certified HUBs.

**$25,001 >** Departments are required to recommend a vendor for the item(s) to be purchased. The Procurement Department must solicit bids from a minimum of three active vendors on the CMBL, two of which must be current Texas-certified HUBs. The bid will be posted to the Electronic State Business Daily (ESBD) for a minimum of 14 days. Emergency purchases may be posted for less than 14 days.

All computer related purchases must be approved by University Computing (UCT).

**Office of Sponsored Programs (OSP) Funds ~ Ledger 5**

The basic Procurement university policies involving the expenditure of OSP Funds (Ledger 5) are as follows:

1. To abide by the general procurement standards of the Office of Management and Budget (OMB) Circular A-110 and its applicable attachments in addition to University Procurement guidelines.
2. To provide free and open competition when and wherever possible.
3. To provide for sole source procurement
4. Approval of Office of Sponsored Programs is required.

The specific policy relative to monetary limits will be:

**$0 - $500** Departments must order directly from vendor and submit a payment voucher directly to Accounts Payable or pay using a p-card. An original vendor invoice is required as backup documentation. For p-card purchases, an OSP pre-approval form must be obtained and included with the backup documentation.

**$501 - $1000** Departments have the option to submit a requisition, pay on a voucher, or use a p-card.  Verification that the tax status of a vendor was checked prior to purchase must be included in documentation.

**$501 - $5,000** Departments are required to recommend a vendor for the item(s) to be purchased. The Procurement Department has the option of placing the order directly to the suggested source without solicitation of bids from other vendors.

**$3,000 > Federal Funds Only** Circular A-81 states that any purchases using federal funds must be bid at $3,000 and up. Federal cost centers contain a G1xxxxx or G5xxxxx in the project/grant field.

**$15,001 - $25,000** Departments are required to recommend a vendor for the item(s) to be purchased. The Procurement Department will solicit a minimum of three (3) informal bids. A minimum of two (2) HUBs will be solicited for bids.

**$25,001 >**Departments will be required to recommend a vendor for the item(s) to be purchased. The Procurement Department will solicit a minimum of three (3) formal written bids. A minimum of two (2) HUBs will be solicited. The bid will be posted to the Electronic State Business Daily (ESBD) for a minimum of 14 days. Emergency purchases may be posted for less than 14 days.

**ELECTRONIC STATE BUSINESS DAILY (ESBD)**

Requisitions $25,000 and up must be posted on the ESBD for a minimum of fourteen (14) days. The following procedures apply:

1. The bid is prepared and mailed to vendors from the Central Masters Bidders List (CMBL).
2. The bid is posted on the ESBD for a minimum of fourteen (14) days. If all the documents can be included in the ESBD posting, the posting time for the bid is 14 days. For bids that require additional documents to be sent to the bidder, the posting time is then 21 days. Contact the Procurement Department for any questions regarding the length of time required for posting.
3. The phone number, fax number and e-mail address of the buyer handling the order is posted along with the bid so that potential bidders can contact the university.
4. The results of the award of the bid are posted on the ESBD.

**MEMBERSHIPS, REGISTRATIONS AND SUBSCRIPTIONS**

Departments process payments for memberships, registrations and subscriptions with purchase vouchers or procurement cards (p-cards), no matter the dollar amount.

**EMERGENCY PURCHASES**

An emergency purchase is defined as a purchase of goods or services that, if not secured immediately, UHCL will suffer financial or operational damage.

1. In the case of an isolated emergency that affects a particular department, the department must notify the Procurement Department immediately. If the emergency happens after normal business hours, the department shall notify the Procurement Department on the next business day. A written justification is required (see Justification for Emergency Acquisition form) and must be attached to the requisition.
2. In the case of a campus-wide emergency, such as a natural disaster that causes extensive property damage, the Procurement Department may implement campus emergency procurement procedures that may include offline purchase requests, if the online purchasing system is not available, suspension of competitive bidding rules to expedite emergency purchases, and increased delegated authority to departments to make some emergency purchases themselves. The Procurement Department may also require departments to maintain or upload additional documentation related to these purchases for insurance purposes.