

Purchasing Guidelines

All purchases, regardless of dollar value or significance, whether documented in writing or not, are in fact contracts. No person is authorized to obligate TTU, either for a purchase or a contract, without reserving sufficient funds to meet the obligation, nor can anyone commit TTU without proper approval. Except for the provisions outlined herein, purchases and agreements to purchase made without prior approval, acknowledged by the issuance of a purchase order or contract, will not be honored.

Authorization to use a purchasing card, a p-card, for small-dollar purchases satisfies the requirement for the issuance of a purchase order.

Contracts that do not involve in any way the purchase or acquisition of equipment, supplies and/or services are to adhere to the policies and procedures detailed in TTU Operating Policies and Procedures.

Purchase orders are not intended to be used strictly as a payment tool; therefore, the purchase order must be created prior to the commitment or obligation. Purchase orders submitted after the commitment has been made and/or after the goods and services are received will constitute non-compliance (after-the-fact orders).

The best method to use in making a purchase is dependent upon the dollar value and associated risks of the purchase. The ranges of dollar value and their associated preferred methods include:

- **Individual, one-time purchases up to \$15,000** - Use the most expeditious, approved method. TechBuy is TTU's preferred method via any of its available capabilities: punchout, hosted catalog, or non-catalog transaction. The use of contracted vendors is always preferable and is sometimes mandatory. The Purchasing Office is constantly entering into discount agreements with vendors to provide the departments with significant cost savings and best value.
- **Similar purchases from the same vendor, which total up to \$15,000 annually** -Use TechBuy with a blanket or standing purchase order. Examples of these types of transactions include toner cartridges, drinking water, and other consumable supplies. This also, may include services such as laundry, delivery services, etc.
- **Individual purchases or multiple purchases that total between \$10,001 and \$50,000** – A purchase order through TechBuy, either an individual order or a blanket or standing purchase order must be issued at or prior to the time of order. The best value and/or reasonableness of the order must be documented through use of a contracted vendor or by obtaining at least three competitive bids, including two HUB businesses. The ordering department must provide complete, acceptable documentation of the required informal bid. The use of contracted vendors is preferable and should result in significant savings for the department.
- **Over \$50,000** – Formal bids, either sealed bids or requests for proposals are

usually required unless the goods and services are available on an existing TTU competitive contract or other competitive cooperative contract, is a proprietary purchase, or is an exempt purchase. The Purchasing Office will determine the best process to follow for these procurements and contracts, and will conduct and/or facilitate the solicitation, negotiations, and award of these contracts.

It is strictly prohibited to divide purchases into smaller lots to avoid any Procurement Services policy.

Departments are advised to carefully evaluate and plan their goods and services requirements on a monthly/yearly basis whenever possible.

Additional Procurement Information

- **Exempt Purchases**

Exempt Purchases are purchases in which there is no benefit to the University or Public to procure the goods or services or the purchases are made from another governmental agency.

- **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.

- **Cooperative/Consortium Contracts**

A cooperative/consortium is a group of purchasing agencies that collectively negotiate contracts on behalf of the group. The combined purchasing power results in significant cost savings to the group. The contracts are competitively procured so no additional procurement is required.

- **Proprietary Purchases**

A proprietary purchase (also known as a “sole source”) is one in which a product or service is practicably available only from one source (vendor/supplier).

In order to complete a proprietary purchase, an end user will have to prepare the “TTU Justification for Proprietary Purchase” form in the TechBuy system. The form is not required on a purchase of less than \$15,000. The form will have to be prepared completely and should allow the Purchasing Office to determine if the purchase is a true sole source or not. Justification must be based upon unique technical or performance characteristics. Personal preferences for certain brands or products does not adequately justify limiting competition. ***Price cannot be a determining factor of a proprietary purchase justification.***

Of particular concern is ensuring that the pricing offered is fair and reasonable. Departments should coordinate with the Purchasing Office and other institutions of higher education to acquire some price analysis.