



TEXAS TECH UNIVERSITY®

3/1/2023

This letter complies with [Uniform Guidance \(UG\) section 200.320\(a\)\(1\)\(iv\) \(C\)](#) relating to the annual self-certification of Texas Tech University's (TTU) micro-purchase threshold and simplified acquisition threshold. TTU's current micro-purchase threshold for all funds (federal and non-federal) is \$50,000. The cognizant agency approved the simplified acquisition threshold at \$100,000. The self-certified micro-threshold is appropriate based on internal controls, risk evaluation, and documented procedures.

Internal Controls

Internal controls include, but are not limited to, frequent internal and external audits, complex workflows within a mature e-procurement system, additional reviews for high-risk or high-dollar transactions, conflict of interest reviews, training for procurement and non-procurement staff, technology acquisition justification process, standardized contracts templates, and vendor on-boarding policies.

Evaluation of Risk

An evaluation of risk is performed based on the dollar amount and the type of acquisition. Transactions for acquiring technology, data sharing, and transactions with businesses or entities in foreign countries are deemed high-risk. Institutional subject matter experts review them. Other high-risk transactions require additional reviews by the chief procurement officer or the section manager of strategic acquisition.

Documented Policies

TTU Operating Policy and Procedure 72.09(7)(a) states, **“Competitive solicitations must be obtained on all procurements of goods or services above \$50,000 unless the requirement can be properly justified as a justified exclusive acquisition, emergency procurement, exempt procurement, or the purchase is made from a state, federal, institutional, or competitively procured cooperative contract. The \$50,000 limit applies to a one-time procurement or repetitive purchases of the same goods or services during a fiscal year.”**

<https://www.depts.ttu.edu/opmanual/OP72.09.php>

The micro-threshold policy is not prohibited by Texas law. Higher education purchasing/contract authority is governed by Texas Education Codes 51.9335 and 51.9337.

[State of Texas Education Code 51.9335 \(a\) and \(b\) states:](#)

“(a) An institution of higher education may acquire goods or services by the method that provides the best value to the institution, including:

- (1) competitive bidding;**
- (2) competitive sealed proposals;**
- (3) a catalogue purchase;**
- (4) a group purchasing program; or**
- (5) an open market contract.**



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(b) In determining what is the best value to an institution of higher education, the institution shall consider:

- (1) the purchase price;**
- (2) the reputation of the vendor and of the vendor's goods or services;**
- (3) the quality of the vendor's goods or services;**
- (4) the extent to which the goods or services meet the institution's needs;**
- (5) the vendor's past relationship with the institution;**
- (6) the impact on the ability of the institution to comply with laws and rules relating to historically underutilized businesses and to the procurement of goods and services from persons with disabilities;**
- (7) the total long-term cost to the institution of acquiring the vendor's goods or services;**
- (8) any other relevant factor that a private business entity would consider in selecting a vendor; and**
- (9) the use of material in construction or repair to real property that is not proprietary to a single vendor unless the institution provides written justification in the request for bids for use of the unique material specified.**

(c) The state auditor may audit purchases of goods or services by an institution of higher education or by a component of an institution of higher education that purchases goods and services.”

[State of Texas Education Code 51.9335\(g\)](#) states:

“An institution of higher education may adopt rules and procedures for the acquisition of goods or services.”

Additional governance includes the Texas Tech University Contract Management Handbook, *Texas Tech University System Regents' Rules (Chapter 03 and Chapter 07)*, Texas Tech University System Regulations (Ethical Conduct and Contracting), and Texas Tech University Operating Policies and Procedures.

<https://www.texastech.edu/board-of-regents/regents-rules.php>

<https://www.texastech.edu/offices/cfo/regulations.php>

<https://www.depts.ttu.edu/opmanual/>

Signature:

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Title:

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