



New Faculty Orientation:

Purchasing Guidelines & HUB Program

September 2022

AgriLife Purchasing Department

Our goal is to procure goods and services, in the right quality and quantity, that our Agency personnel need to perform their jobs; for the best value; and to ensure that all purchases are made in accordance with the Laws of the State of Texas, the Texas Education Code, and the Texas A&M AgriLife Purchasing Guidelines.

What YOU need to know:

- Purchasing personnel are facilitators/negotiators, **NOT** subject matter experts. Faculty are the subject matter experts and are responsible for preparing the specifications or scope of work.
- We're here to help – **CALL US!**

Code of Ethics

As a member of the National Association of Educational Procurement (NAEP), Texas A&M AgriLife subscribes to the NAEP Code of Ethics, as well as TAMU System Ethics Policy.

What YOU need to know:

- Applies to **all** personnel involved in the purchasing process.
- Anyone involved in the purchasing process should stay current on the required Ethics course in TrainTraq (course #99001).

Historically Underutilized Business (HUB) Program

State Law mandates that all state agencies make a good faith effort to attain the statewide goals for utilization of HUBs.

What YOU need to know:

- Utilize strategic source contracts with HUB partners
- Utilize HUBs when using the procurement card
- Identify HUB vendors utilizing CPA Centralized Master Bidder's List (CMBL)



Jaime Vykukal
HUB Coordinator

What is a Historically Underutilized Business (HUB)?

A business that is at least 51 percent owned by an Asian Pacific American, Black American, Hispanic American, Native American, American woman and/or Service-Disabled Veteran, who reside in Texas and actively participate in the control, operations and management of the entity's affairs.

****Recommend online training offered through Texas A&M Systems Office – 11010: HUB Purchasing Requirements*

Texas Centralized Master Bidders List – HUB Directory Search (CMBL)

- Texas Comptroller of Public Accounts
- The CMBL is a master database used by the State of Texas purchasing entities to develop a mailing list for vendors to receive bids based on the products or services they can provide to the State of Texas.
- HUBs are listed on the CMBL.
- Please get with your business staff within your department. They will be able to search and help find HUB vendors for your purchases.

Texas A&M AgriLife HUB Office

<https://agrilifeas.tamu.edu/contacts/functional-group/#hub>

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WorkQuest (Formerly Known as TIBH)

WorkQuest, formerly TIBH Industries, was established in 1978 to implement the *WorksWonders* Program legislation (HB 1673) mandating a State Use Program to promote vocational rehabilitation through special work contracts for visually impaired Texans.

What YOU need to know:

- **Must** purchase items and services available from WorkQuest (TIBH) meeting the Agencies' needs unless you can provide justification as to how it does not meet your needs
- Should report the exceptions of when you do not purchase goods or services that are available from persons with disabilities contracts through WorkQuest (TIBH) monthly
- Contact HUB Coordinator for more details

Delegation of Purchasing Authority

Unit Purchasers are delegated the authority to make purchases less than or equal to \$10,000.00 including shipping/handling, freight and postage. However, units are not authorized to sign contracts regardless of the dollar value.

What YOU need to know:

- Do **NOT** sign contracts!
- Do **NOT** sign vendor agreements!
- *Exception:* Hotel agreements for conferences can be signed by the Department Head if less than \$50,000

Delegated Purchases → \$0-\$10,000.00

Units place orders less than or equal to \$10,000. No bids are required, but preferences apply:

- WorkQuest (formerly known as TIBH)
- Use existing contracts when possible
- Use HUBs when possible (use federal SMWBEs to supplement HUBs on federally funded orders)

What YOU need to know:

- Do **NOT** split purchases into multiple small dollar POs to avoid the bid process
- *Exception:* Copier lease/rental/purchase **MUST** be sent to AgriLife Purchasing for processing and order placement

Purchase Requests → \$10,000.01 and Up

Purchases totaling \$10,000.01 and up are processed by AgriLife Purchasing (excluding punch-outs). AgriLife Purchasing determines the appropriate method of procurement and issues a PO to the vendor.

What YOU need to know:

- End user should provide minimum specifications or scope of work
- Unit Purchaser creates and submits a requisition in AggieBuy

Purchases Requests: Informal vs Formal Bid

If not available on contract, \$10,000.01-\$25,000 orders are solicited informally. Orders totaling \$25,000.01+ are solicited formally.

What YOU need to know:

- **Must** solicit from at least 4 HUB and 2 Non-HUB vendors (SMWBE used for federally funded purchase)
- Formal bids are advertised for a minimum of 14 days (does not include processing time before or after)
- If renewals or multiple year contracts extend the total dollar amount over \$25K, a formal bid is **required**
- Requests for Proposals (RFP) may take approximately 2 months

Federally Funded Purchases

Federally funded purchases must comply with the Procurement sections ([2 CFR 200.318-326](#)) of the Office of Management & Budget's "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards" (Uniform Guidance). These sections focus on increased competition and transparency.

What YOU need to know:

- Avoid buying unnecessary or duplicate items
- Don't have a conflict of interest related to contracts
- Companies that develop your specifications cannot bid on it
- Continuity of research is no longer a valid sole source reason
- Must supplement HUBs with federal SMWBEs
- Attempt to buy recycled or green products when possible
- End users automatically agree to comply with these federal terms when accepting an award from the federal government
 - Some awards may have additional contractual terms, such as Buy American, that may impact the purchasing process

Independent Contractors

Services of an individual require an Independent Contractor form be submitted and approved prior to any commitment to the individual.

What YOU need to know:

- AG-106: Independent Contractor Status Certification form submitted to AgriLife Contracts (if using SRS funds, the SRS equivalent form must be submitted to SRS) is **required**
- Total cost of services over \$10,000 **must** be processed, and PO issued by, AgriLife Purchasing prior to the services beginning
- Failure to process the form and have PO issued prior to service beginning may result in non-compliance

Emergency Purchases

A purchase of goods or services so badly needed that the Agency will suffer real or financial loss as a result.

What YOU need to know:

- Contact AgriLife Purchasing for guidance **immediately**
- Try to obtain at least 3 informal bids, including HUBs, for all purchases in excess of \$10,000
- AG-603: Emergency Purchase Justification form **required**
- The Unit Purchaser will process a requisition in AggieBuy with order information
- AgriLife Purchasing will place the order with the vendor

Sole Source Purchases

A product or service available from only one manufacturer requires a sole source justification form, even if available from multiple sources (brand sole source).

What YOU need to know:

- AG-601 (Commodities) or AG-602 (Services): Sole Source Justification form **required**
 - Price/cost savings **cannot** be used as a reason
 - **Continuity of research is no longer a valid reason**
 - **Must** be approved by Dept/Unit Head & Purchasing Director
- Do **NOT** submit vendor's sole source justification

Non-Compliant Orders

Orders placed without following AgriLife Purchasing Guidelines are considered Non-Compliant.

What YOU need to know:

- AG-628: Non-Compliant Order Explanation form is **required**
 - **Must** be completed and signed by the person who placed the order
 - **Must** be signed by the Department Head, Director of Purchasing, and the Asst. Director for Fiscal Services
- Multiple non-compliant purchases may result in an audit finding and/or removal of unit purchasing delegation.

Texas A&M AgriLife Purchasing & HUB

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<http://agrilifeas.tamu.edu/fiscal/purchasing/>

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