



Financial Services
Purchasing Section

Contract Management Guide and Procedures Manual
October 2024

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1.1 Introduction

The Financial Services Division, Purchasing Section, developed this Purchasing and Contract Management Procedures Manual. The manual is designed to provide guidance for the Texas Real Estate Commission (TREC) purchasing staff when procuring goods and services, managing agency contracts, and receiving goods and accepting services in accordance with the Texas Comptroller Public Account's Contract Management Guide.

1.1.1 Purpose of the Manual

The primary purpose of this manual is to set forth clear, effective, and efficient purchasing and contract management procedures for the TREC Purchasing Section by offering a standardized framework, our goal is to streamline processes, ensure transparency, and confirm that TREC's procurement activities align with the State of Texas procurement and contracting guidelines.

1.1.2 Continuous Updates

This manual is subject to changes and updates. As new processes and procedures are established or existing ones are modified, this manual will be revised to reflect the most current and relevant information.

The TREC purchasing team will use the content of this manual as a resource to procure goods and services for the agency.

Contact the Purchasing Manager if there are any questions regarding any aspect of this manual. All input and feedback are welcomed as we strive for ongoing improvement and excellence.

1.2 Additional Resources

The Purchasing Section has developed additional resources to ensure accuracy and consistency when procuring goods and services for the agency. The Procurement Desk Procedures are located in the Procurement SharePoint Site, located at: [Procurement - Desk Procedures](#). NOTE: The desk procedures include the State of Texas Contract Management Guide.

1.3 Public Information Requests

Public Information Requests (PIR or Open Records Requests) must be submitted in writing. PIRs are time sensitive and must be addressed immediately. The Purchasing staff should notify the Purchasing Manager immediately when a PIR is received.

The agency has created a [public information request form](#). The form is encouraged but not required. For more information about Public Information requests, go to the following links:

TREC: <https://www.trec.texas.gov/public/request-public-information>

TALCB: <https://www.talcb.texas.gov/public/public-information-request>

All PIRs sent directly to a purchaser should be forwarded to the Public Information Officer (PIO). The purchaser should send the following note requesting the notice be sent directly to the agency's PIO office:

Sample Email:

“The Texas Public Information Act requires that public information requests be submitted via email or fax directed to the public information officer for the agency. Please direct your request to public.information@trec.texas.gov or by fax to (512) 936-3798. The public information officer or the officer’s designee will respond to your request.”
Thanks,

Purchaser Salutation

1.4 Executive Management Review and Approval

The Purchasing Section includes the Purchasers, the Inventory Specialist and Purchasing Management. Purchasing has the authority to sign all agency Purchase Orders (POs). All other documents must be reviewed and signed by the Financial Services Director or Executive Management.

1.4.1 Review and Approval Process

Purchasers and the inventory specialist are required to obtain approval prior to issuing certain documents, purchases, contracts, and reports submitted outside of the agency. Purchasers should allow adequate time to route documents for approval or signature.

1.4.2 Document Routing System

Financial Services and Purchasing’s electronic document routing and signature system is [DocuSign](#).

A. Document examples: (included but not limited to):

1. Vendor documents requiring signature
2. Two-party contract document
3. Government documents requiring agency signature

B. Signature Authority

This section defines the areas within the agency that have authority to review documents and sign documents.

1. Purchasing - Purchase Orders
2. Financial Services Director - Agency reports and certifications
3. The Executive Director and specified designees
 - Two party agreements
 - Vendor quotes
 - Other vendor documents
 - Agency reports and certifications

1.4.3 Signature Routing

A. All contracts requiring signature must be routed via DocuSign using one of the following templates.

1. Contract Routing Form – Agency Certification Document
2. Contract Routing Form – Formal Contract
3. Contract Routing Form – Vendor Documents

B. To access DocuSign templates, go to the 3rd tab titled “Templates” within [DocuSign](#). If a customized template is needed, contact the Purchasing Manager.

- C. The vendor or other signees *should* sign the document before routing to the agency’s Executive Management. The Purchasing Manager, the Financial Services Director, and/or General Counsel must review before routing outside of the agency.

1.4.4 DocuSign Routing Roles

A. Purchaser will

- 1. confirm the signature order prior to sending or moving to the next step and
- 2. insert the (1) date, (2) title, and (3) the initial or signature lines.

B. Other routing roles:

- 1. “Allow to Edit” – the Purchasing Manager and Finance Director - Do not change. This feature requires action before the document can move forward.
- 2. “Needs to View” – this is an FYI only setting and should not be used.
- 3. “Needs to Sign” – The document approver and signee must sign to complete the document process.

1.5 General Counsel Review

The General Counsel (GC) for TREC and TALCB plays a vital role in the contracting process. Purchasing may seek GC assistance in the following circumstances (but not limited to):

- 1. Developing, updating, or reviewing agency terms and conditions templates.
- 2. Negotiating contracts on behalf of the agency.
- 3. Contractor documents that require agency signature.
- 4. Providing approval or guidance for companies with a forfeited tax status.
- 5. Reviewing formal solicitation documents that exceed \$100,000.
- 6. Addressing vendor presentations outside of the procurement process.

1.6 Authority to Process Purchase Orders

Purchasers are required to obtain approval prior to issuing certain documents such as, purchase orders, contracts, and reports submitted outside of the agency. Purchasers should allow adequate time to route documents for approval or signature.

1.6.1 Approvals Chart

Level		Approval Threshold
Purchaser	Contract Manager	
I – III	I	\$1,000.00
IV- VII	II-IV	\$2,000.00

1.6.2 Proprietary Purchases

All proprietary and sole source purchases must be reviewed and approved by the Purchasing Manager and signed by the agency head prior to proceeding with the procurement process or issuing the purchase order.

1.7 Email Templates

The Purchasing Section has established email templates that should be used when communicating with vendor and agency customers for purchasing, contract management, receiving and asset management.

The templates can be found at: [Email Templates](#)

1.8 Ethics and Professional Standards

The Purchasing Section is responsible for the procurement of agency goods and services. The Purchasing Section is entrusted with the serious task of maintaining the agency's financial integrity by adhering to the highest ethical standards in every purchasing decision. Therefore, ethical conduct and integrity is of the utmost importance. Purchasers are obliged to guarantee fairness, honesty, and accountability, while also taking proactive measures to prevent both the appearance and reality of any conflicts of interest.

All purchasing staff is required to review, sign, and submit [Non-Disclosure and Conflict of Interest Certification.docx](#) each year.

2.1 Overview

Texas Comptroller of Public Account's (CPA's) Statewide Procurement Division (SPD) is responsible for delegating purchasing authority to state agencies. While it is the duty of agencies to process orders and decide on awards, SPD establishes minimum requirements to ensure consistency. SPD maintains the authority to withdraw this delegation in cases where agencies fail to adhere to established procedures. Therefore, it is important that the purchasing staff follow agency purchasing procedures and the guidelines laid out in the [Texas Procurement and Contract Management Guide](#).

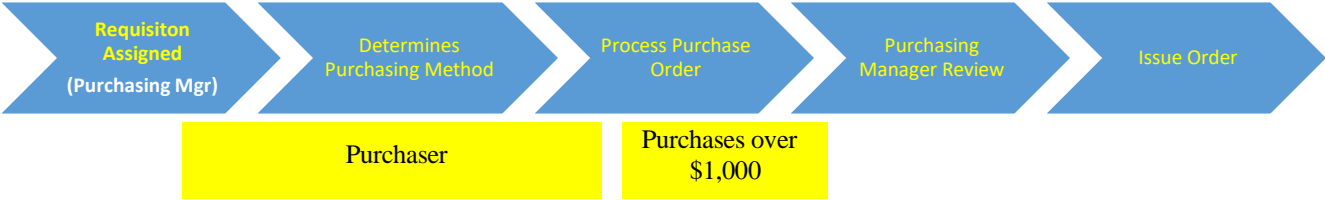
TREC implemented the CAPPs Financial System on September 1, 2020. CAPPs is a web-based eProcurement system that integrates various aspects of agency operations, including budget management, approval processes, procurement, account payables, and asset management.

The chart and process flow diagram below displays the requisition flow beginning with identifying the need and the submission of a requisition. The requisition then follows the requisition approval workflow which includes budget coding, division director approval, executive management and IT approvals (when applicable). Once the requisition is approved, it is assigned to a purchaser and processed in accordance with the purchasing guidelines.

Requisition Workflow.



Purchase Order Approval Workflow

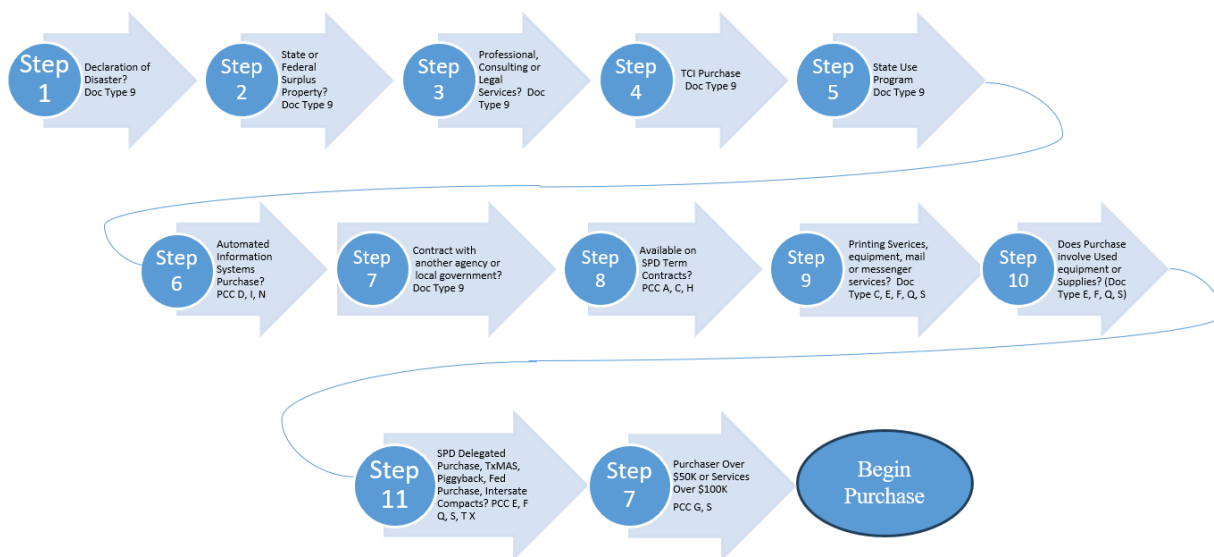


2.2 Procurement Determination

Purchaser must identify the appropriate procurement method, while considering relevant exclusions, exemptions, and other considerations. For certain procurements, SPD and DIR delegates specific procurement authority to agencies. The purchaser should select the proper procurement method as early in the process as possible. This will result in a more effective and efficient procurement process and reduce the likelihood of having to resolicit.

Purchasers should consider the following chart when selecting the appropriate Procurement Method. If the purchase does not fit the description, go to the next step until the appropriate method is determined.

SPD Non-Delegated Purchases	SPD Delegated Purchases	Information Technology Services	Other Purchases
<ul style="list-style-type: none"> Set-a-side Programs <ul style="list-style-type: none"> Texas Correctional Industries The Status Use Program Term Contracts TXMAS Printing Services 	<ul style="list-style-type: none"> Under \$10K Goods \$10K - \$50K Svcs \$10K - \$100K Direct Publications Internal Repair Emergency Purchases Proprietary Purchases 	<ul style="list-style-type: none"> DIR Contracts DIR Exemptions RFO Procurement Methods 	<ul style="list-style-type: none"> Professional Services Consulting Services Interagency Contracts Request for Qualifications



2.3 Electronic Posting Requirements

The [Electronic State Business Daily \(ESBD\)](#), is managed by Comptroller’s Statewide Procurement Department. It is the State’s online directory listing procurement opportunities. TREC is required to post procurements with a contract value of more than \$25,000 to the ESBD, regardless of the source of funds to be used for the contract.

The contract value for posting to the ESBD means “the estimated dollar amount that an agency may be obligated to pay during the life of the contract and all executed and proposed amendments, extensions, and renewals.”

The minimum ESBD posting requirements (see CPA contract management guide for full description of the requirements).

2.3.1 Fourteen (14) Calendar days

The entire solicitation package (including all parts, exhibits and attachments posted to the ESBD).

2.3.2 Twenty-one (21) Calendar days

If not posting the entire solicitation package to the ESBD, then a notice of the procurement must be posted and include all information necessary to make a successful bid, proposal, or other applicable expression of interest for the procurement contract, including at minimum:

1. a brief description of the goods or services to be procured and any applicable state product or service codes for the goods and services;
2. the last date on which responses will be accepted;
3. the estimated quantity of goods or services to be procured;
4. if applicable, the previous price paid by the agency for the same or similar goods or services;
5. the estimated date on which the goods or services to be procured will be needed; and
6. the name, business mailing address, business email address, and business telephone number of the state agency employee a person may contact to inquire about all necessary information related to making a response for the procurement contract.

2.4 Procurement Numbering Systems

2.4.1 Purchase Requisition Numbering

Requisition numbers are automatically assigned in the order they were entered in CAPPS. The numbering is sequential and continuous without regard to the fiscal year change.

2.4.2 Purchase Order Numbering

a. General Numbering

Purchase Orders start with the three-digit agency number, followed by the fiscal year, and four numbers (ex: 329-22-1234). The last four numbers in the purchase order will reset each fiscal year. The last four digits will be assigned according to the purchase type.

1. 0000 – Numbering for all purchases except the following:
2. 5000 – Interagency Purchases
3. 6000 – Credit Card Purchases
4. 9000 – No PO Number Assigned – Contracts Only

b. Multi-year Contracts

Multi-year contracts will be assigned the same PO number each year of the contract renewal.

Example: A 4-year contract: Initial year: 21-0023, 1st Year Renewal 22-0023, 2nd year renewal 23-0023 and 3rd year renewal 24-0023. Credit Card Purchase Order (PO) numbering.

Credit card PO numbers are assigned by purchaser. For each fiscal year, PO numbers will be assigned to purchasers in the following number series:

Purchaser:	One-time CC Purchase	Contract Purchase
Sandy	FY-6100	xx-6101, 6102, etc.
Kim	FY-6300	xx-6301, 6302, etc.
Retired No.	FY-6500	xx-6501, 6502, etc.

Purchaser:	One-time CC Purchase	Contract Purchase
Regina	FY-6700	xx-6701, 6702, etc.
Keyarria	FY-6800	xx-6801, 6802, etc.

c. Purchasing Number Series

1. Credit Card purchases that will not require a contract.

Purchases that are processed as a one-time credit card purchase will be added to the Purchaser’s primary procurement card purchase order as a line-item purchase.

Example: Sandy will need to make a one-time purchase of a notebook on her credit card. Therefore, she will create a line item on her credit card purchase order.

2. Credit Card purchases that require a contract.

To work within the CAPPs restriction which only allows one contract to be attached to a PO, beginning in FY23, Purchasers should create a distinct purchase order number within their assigned Credit Card series, as specified above, for credit card purchases that involve a contract.

Example: An individual credit card PO number is assigned within the purchaser’s cc number series for an order that requires a contract. The purchaser assigns PO number 22-6101 and contract number C22-6101 for a contract. This ensures that the contract is appropriately linked to the purchase order.

2.4.3 Contract Numbering

Contract numbering is assigned by the Purchaser. The contract number will always start with “C” then follow with a 6-digit number. Example: C24-0001. Typically, the contract number will coincide with the PO number. In some instances, this will not be the case. For the first year of a multi-year contract, the contract number will coincide with the PO, however for subsequent years the PO number will change based on the fiscal year, but the contract number will remain the same. Example: PO 24-0001 is assigned Contract # C24-0001 for the first year. The PO number for the second year will be 25-0001 but the Contract # will remain C24-0001.

2.5 Solicitation Method Guide

The following should be used to determine the appropriate solicitation method when obtaining formal and informal bids or quotes.

Solicitation Document	Typical PCC Code	Examples	IT (DIR)	IT Non-DIR	Non-IT
Email	D, E, I, K	Spot purchase for goods or services	Under \$25K	Under \$5K	Under 10K
Pricing Request	D, F, I, K	IT hardware, software, and services	\$25K - \$100K	\$10K - \$25K	\$10K - \$25K
IFB	E, F, K, L, Q, S	Office equipment, services	----	-----	\$25K – 50K goods \$25K - \$100K Svcs

Solicitation Document	Typical PCC Code	Examples	IT (DIR)	IT Non-DIR	Non-IT
RFO	D, I	IT hardware, software & services, i.e., implementation svcs; IT hardware, software	\$50K - \$1M	\$10K - \$1M	-----
RFP	Q, S, Doc Type 9	Exam svcs	----	----	\$25K and over
RFQ	PCC S, Doc Type 9	Auditing svcs; Appraisal review	----	----	\$25K and over

2.6 How to Process a Requisition onto a PO.

Purchasers should use the following chart as a guide to process purchase requisitions and issue purchase orders.

FMX – CAPPS Step by Step Instructions: [CPA - CAPPS Training - Link](#)

	Step	Description
1.	Review the Requisition	<ol style="list-style-type: none"> 1. Review the requisition workload. 2. Identify requisition line item(s) to be processed.
2.	Determine Procurement Method	Refer to Section 2.2 Procurement Determination to verify the appropriate purchasing method.
3.	Process the Requisition	<ol style="list-style-type: none"> 1. Navigate to the specific category and type of purchase for specific processing information. 2. Determine if goods or services available from a pre-established State Contract (SPD or DIR); confirm the quantity and UOM format. 3. Determine if bidding is required <ul style="list-style-type: none"> o If bidding is required, prepare an informal or formal solicitation. o If not, obtain a quote or process as a delegated or non-delegated purchase. 4. Ensure that the requisition has adequate funding to process the order. 5. If additional funds are required, contact the division to submit a requisition with the additional funds. 6. Go to CAPPS Login.
4.	Determine if a contract is required	<ol style="list-style-type: none"> 1. A CAPPS contract should be established if the purchase is for: <ul style="list-style-type: none"> o Services with an associated period of time (e.g., subscription, maintenance) or o A blanket contract for goods or services. 2. Contracts are not required for training services or services less than one month or less than \$2,500. <p>If a contract is required, contact the Requisitioner to determine the Contract Monitor.</p>
5.	Move the requisition line(s) to the purchase order in CAPPS	<ol style="list-style-type: none"> 1. Designate a vendor. 2. Pull the line items into the purchase order. 3. Update the line-item description to match the bid or SmartBuy order or solicitation description.

	Step	Description
		<ol style="list-style-type: none"> 4. Include vendor contact name, phone, and email. 5. Designate the Appropriate PCC Code. 6. Verify and update the class and item codes. 7. Include agency contact or contract monitor, name, phone, and email. 8. Add start and end date, if applicable. 9. Ensure that quote and PO information, quantities, and dollars match. 10. Ensure the proper delivery address is selected. Deliveries to the agency should be to the CRD address.
6.	Attach back-up documentation to the Purchase Order file in CAPPS	<p>Backup Documentation may include:</p> <ol style="list-style-type: none"> 1. Quotes 2. Bids 3. PCC Checklist 4. Email correspondences 5. Proprietary Justifications 6. Unauthorized Purchase Justifications 7. Other back-up verification documentation
7.	Process PO	<ol style="list-style-type: none"> 1. Attach TREC Terms and Conditions when applicable. 2. Notify the purchasing manager as appropriate (see Section 1.4 Purchasing Authority). 3. Upon approval, issue the PO.
8.	Issue PO	<ol style="list-style-type: none"> 1. Send the PO and appropriate backup documentation to the vendor. 2. Include requisitioner and the vendor contact on the email notification. 3. If a contract number is assigned, send a notice to the contract monitor. 4. If a signed receiving report is required, include the Inventory Specialist. 5. Place a copy of the signed PO in the Purchase Order file and in CAPPS.

Part 3. SPD Non-Delegated Services

When procuring goods and services through pre-established contracts, there are several methods that can be used. To ensure compliance with the statutory authority, rules, procedures, and processes outlined by the CPA's SPD and DIR, it is imperative to adhere to their specific guidelines. In the subsequent sections, we will outline the essential steps for procuring equipment, goods, or services through the SPD's non-delegated purchase methods.

3.1 Set-a-Side Programs

The Texas Legislature established special programs through WorkQuest and Texas Correctional Industries. Agencies are required to purchase certain goods and services through these programs.

3.1.1 Texas Correctional Industries (TCI)

TCI is a division of the Texas Department of Criminal Justice (TDCJ), that manufactures goods and services primarily through offender labor, with a focus on making them available for purchase by Texas governmental entities. Most of these goods are accessible through Texas SmartBuy.

In cases where the requested items are not listed on Texas SmartBuy, they can typically be found in the TCI Catalog. In these cases, the procurement process involves issuing a purchase order (PO) directly to TDCJ via email at tcj@tdcj.texas.gov, accompanied by the following notation: 'The award was made under the Prison Made Goods Act and is non-competitive.'

It is important to note that TREC/TALCB retains the discretion to decline procurement of a good or service from TCI under specific circumstances:

1. When TCI grants a waiver.
2. When the State Purchasing Director (SPD) determines that a good or service produced by TCI does not meet the agency's requirements.
3. When SPD certifies that the same good or service can be obtained elsewhere at a lower price, provided that TCI has been given a final opportunity to negotiate on price by the agency."

3.1.2 State Use Program Exception

The Texas Workforce Commission (TWC) oversees the Texas State Use Program. These programs are effectively administered by WorkQuest, formerly known as TIBH Industries. It's important to note that only products and services approved by TWC are eligible for consideration as a set-aside purchase option on Texas SmartBuy for state agencies. Exceptions to utilizing the State Use program may occur in two specific situations:

1. When a product or service provided or manufactured by WorkQuest does not meet the reasonable requirements of the agency.
2. When the requisitions made cannot be reasonably fulfilled using products or services produced by individuals with disabilities."

3.1.3 How to Process WorkQuest or TCI Orders

PCC: A, C

Statutory Reference: [Texas Human Resources Code Chapter 122](#) and the Texas Correctional Industries governed by [Texas Government Code Chapter 497](#)

Purchasers are required to utilize the WorkQuest or Texas Correctional Industries (TCI) contracts before considering other purchasing methods. If the requested commodity or service (including AIS purchases) is not available under either of these contracts, then and only then, should the purchase proceed under a different method.

Most WorkQuest and TCI products and services are available under state term contracts. To search the State Term Contract, go to [TexasSmartBuy](#).

Desk Procedure: [TCI Program](#)

3.2 Term Contracts

The SPD establishes term contracts for the purchase or lease of goods and services. These term contracts are available through the Texas SmartBuy catalog and typically do not require a competitive bidding process. Therefore, TREC should not procure goods or services from the open market if they are available through a term contract, unless the required quantity falls below the minimum order quantity specified in the term contract. Purchasers should notify the purchasing manager if goods or services available through term contracts are not purchased.

3.2.1 SmartBuy

PCC: A, C, H, or X

SPD establishes statewide term contracts for goods and services commonly ordered by all agencies. The term or length of each contract may vary, depending on the commodity or service.

3.2.2 Types of Term Contracts

SPD establishes two basic types of term contracts:

- [Automated Contracts](#) are used to order goods and services available through SPD's on-line purchasing system.
- [Managed Contracts](#) must be processed manually due to the more specialized nature of the good or service.

To view all contracts established by SPD: <https://www.txsmartbuy.gov/browsecontracts>

3.2.3 Smart Buy Instructions

The SPD provides detailed information about how to use the SmartBuy system. For specific information about SmartBuy go to: <http://www.txsmartbuy.com/help>.

3.2.4 TREC Specific Requirements

When processing SmartBuy orders, the following must be taken into consideration:

1. Purchasers cannot purchase items that are above their certification requirements.
2. Each purchaser must acquire and utilize their unique login credentials.
3. All SmartBuy orders should be consistently recorded in CAPPs as part of the process.
4. The CAPPs PO Header Comments must include the following statement: This Purchase Order is for Internal Purposes Only. The Smartbuy PO will be automatically generated and sent to the vendor by SPD.”

3.2.5 Automated Contracts

TREC processes automated contracts directly through an on-line connection with CPA. Commodity codes and quantities are entered onto an electronically transmitted purchase order.

Desk Procedure: [Automated Term Contracts](#)

3.2.6 Managed Contracts

Managed Contracts are processed manually by preparing and emailing a purchase order directly to the vendor.

Desk Procedure: [Managed Services](#)

3.3 TXMAS

The SPD established an alternative procurement method to use multiple award schedule contracts, which have been competitively awarded by the General Services Administration (GSA) of the federal government. Once the SPD grants authorization for the contract's use, it is made available on the SPD website.

Agencies are required to assess the availability of set-aside programs such as TCI and WorkQuest before using statewide term and TXMAS Contracts. In the case where multiple vendors within a TXMAS schedule offer similar products or services, a best value determination must be made. This determination involves collecting information or quotations from the TXMAS vendors offering the same or similar products or services. Note: TXMAS quotations are mandatory if the procurement exceeds a value of \$50,000. If the procurement's value exceeds \$25,000, TREC must post a procurement award notice on the state's electronic bulletin board.

The processing of a TXMAS order may take one of two forms: it can either be handled as an SPD automated order or as a Managed order, depending on if the contract was established through the SPD.

3.4 Change Orders

A Purchase Order Change Notice (POCN) is generated when a purchaser modifies a previously established order. Purchasers may edit the purchase order details, such as quantity, delivery date, and shipping address in Texas SmartBuy. Both the Purchaser and the Contractor will receive an email containing a copy of the POCN.

The POCN Header detail must include:

1. The POCN Number, Date and Purchaser Initials
2. An explanation of the change

Example: POCN1: 10/10/2024, RBD

The purpose of this change notice is to update pricing for line item #1, Equipment Maintenance service.

NOTE: The POCN language must be added to the top of the page.

3.5 Proprietary and Sole Source Purchases

A purchase is considered proprietary when the specifications or conditions of the intended purchase are unique to a single vendor, and no substitution of an equivalent product or service is available. The term 'proprietary' refers to a product or service with distinctive features or characteristics that are exclusive and not shared by competing or similar products or services. Proprietary purchases include products or services manufactured or provided under exclusive rights of ownership, including patents, copyrights, or trade secrets.

1. **Proprietary Sole Source Procurements ≤ \$25,000.**

No competitive bidding is required if the total value of the proprietary sole source contract is \$25,000 or less. A proprietary purchase may be either sole source or competitive.

2. **Proprietary Purchases under SPD Delegation by Rule.**

For purchases made under SPD's delegated authority by rule, agencies are required to maintain the Proprietary Purchase Justification in the agency procurement file and to provide it to SPD upon request. A Proprietary Purchase Justification is not required for procurements valued at \$10,000 or less. Example: back issue of a magazine available only from the publisher; education conference available only from the conference sponsor.

3. **Proprietary purchases exceeding \$10,000.**

A solicitation is required and must include the following statement:

"These specifications are being advertised under Section 2155.067 of the Texas Government Code.

Only bids on items conforming exactly to these specifications, which include proposing only the brand name(s), make and model number(s) specified, will be considered in determining an award."

The Purchasing Section will work with the division to evaluate whether a purchase qualifies as proprietary since such purchases tend to limit competition.

Desk Procedure: [Proprietary Purchases](#)

3.5.1 Types of purchases

There are three types of purchases which should be considered:

1. Proprietary

A product or service that has a distinctive feature or characteristic which is not shared or provided by competing or similar goods or services. A proprietary purchase may be either sole source or competitive.

2. Sole Source

The specified good or service is only available from a single source.

Example: back issue of a magazine available only from the publisher; education conference available only from the conference sponsor.

3. Competitive

The specified good or service is available for purchase through more than one vendor. Example: software that is available through multiple resellers.

4.1 Introduction

A delegated purchase is a purchase made by an agency under the authority of the Comptroller's State Purchasing Division (SPD) and subject to SPD rules and procedures. This delegation is made in accordance with CPA rules or statutory exemptions. The delegated purchase procedure excludes mandatory state use set-aside purchasing programs and purchases that are explicitly authorized by state statutes.

For details regarding the minimum requirements for delegated purchases, purchasers should refer to the CPA Procurement Manual, Procurement Method – SPD Delegated Purchases. This section outlines the steps and criteria agencies must adhere to when determining if a purchase is delegated and the steps for purchasing delegated items or services.

4.2 Vendor Identification

To identify potential vendors, Purchasers can utilize a variety of resources, including:

1. **Centralized Master Bidders List:** This list serves as a comprehensive source of pre-qualified vendors, making it a valuable resource for procurement.
2. **HUB Directory:** The Historically Underutilized Business (HUB) Directory provides information on HUB-certified businesses, promoting diversity in procurement.
3. **Vendor Mailings or Catalogs:** Receiving mailings or catalogs from vendors can help agencies discover available products and services.
4. **Minority Development Centers:** These centers offer information and support for minority-owned businesses, often connecting agencies with suitable vendors.
5. **Chambers of Commerce:** Local Chambers of Commerce maintain lists of businesses within their communities, which can be a useful resource for identifying local vendors.
6. **Business Card File:** Maintaining a file of business cards acquired through networking or past interactions can be an effective way to reconnect with potential vendors.
7. **Local Sourcing:** Exploring local businesses and suppliers within the agency's immediate vicinity can support the local economy and reduce transportation costs.
8. **Internet:** Online platforms, industry-specific websites, and search engines can be valuable for researching and finding vendors.
9. **Recommendations from End Users:** Input from those within the agency who have experience with specific vendors can be a valuable source of information.

By utilizing these resources, the purchaser can effectively identify and engage with vendors that align with their procurement needs and goals.

4.3 Delegated Purchase Categories

PCC E, F, G, Q, S, T

Delegated Purchases are categorized into four main types:

1. **Spot Purchases:** These are immediate and often one-time procurements of goods or services under \$10,000.
2. **Informal Bids:** Utilized for procurement needs that require some competitive bidding but are not as formal as the next category.
3. **Formal Bids for Goods or Services:** Formal competitive bidding processes are used for larger-scale purchases of goods or services.
4. **Delegated Purchases with Approval:** This category involves procurement that requires specific approvals beyond routine delegated authority. It excludes items subject to the IT Commodity Purchasing Procedure.

TREC is subject to audits to ensure compliance with CPA rules. Non-compliance may result in the withdrawal of delegated authority. TREC is responsible for all purchases made on its behalf and is held accountable for adherence to the established procurement procedures.

4.3.1 Commodities

A commodity purchase involves the procurement of supplies, materials, or equipment and does not include the purchase of real property or services. The SPD has delegated to all state agencies the authority to procure commodities with an estimated purchase price not exceeding \$50,000.

For commodity purchases exceeding this amount, CPA review and approval is mandatory before the purchase can move forward.

4.3.2 Services

A service is defined as the provision of either skilled or unskilled labor, with the exception of professional services. Delegated purchases for services do not include professional services.

When procuring for services, it is important to provide the vendor with a clearly defined scope of the required services. Purchasers should not sign vendor maintenance agreements or other documents that include terms and conditions. These documents should be reviewed by the agency's General Counsel before being signed by the Executive Management. SPD has delegated to all state agencies the authority to procure services with an estimated purchase price not exceeding \$100,000.

4.4 Franchise Tax Status

Purchasers must verify the franchise tax status of all vendors for Purchase Orders issued without a pre-established contract with the SPD.

or DIR. The Taxable Entity Search can be accessed at: [Texas Comptroller's Taxable Entity Search](#).

If a vendor is found to be unable to transact business in Texas, purchasers should email TREC or TALCB General Counsel to determine whether the agency can proceed the purchase prior to processing and issuing a purchase order.

4.5 Tax Checks

Texas Government Code Section 2252.903 mandates that state agencies, to verify a vendor's warrant hold status between the seventh day prior to and the day of contract execution for specific transactions. This requirement applies to payment card purchases exceeding \$500.

However, if a contract is funded by Treasury-held funds, this verification is not necessary.

Agencies and institutions are prohibited from proceeding with payment card transactions over \$500 until any warrant hold is released, unless the contract stipulates that payments will be directed towards settling the vendor's debt or delinquency, regardless of when it occurs.

Additionally, payments processed through the Uniform Statewide Accounting System (USAS) are automatically checked for holds, ensuring that payments to individuals with outstanding state debt are identified.

To perform a vendor tax check, the purchaser must have BlueZone installed on their laptop and Financial Services Accounting Manager will need to create a USAS account for the requesting purchaser.

4.6 Spot Purchases

PCC: E

A "Spot Purchase" is a purchase of goods or services from one vendor and does not require competitive bidding. Spot purchases cannot exceed \$10,000 and the good or service cannot be available through a pre-established state contract.

Purchasers should make a good faith effort to utilize Historically Underutilized Businesses (HUBs) who can provide the needed good or service at a reasonable price.

To identify vendors for procurements at this specified amount, purchasers should utilize Texas Centralized Master Bidders List (CMBL).

4.7 One Time Purchases of Goods - \$50,000 or Less

SPD has delegated the authority for one-time purchases of goods, including resale items, not exceeding \$50,000 to agency purchasing. "Goods" refers to supplies, materials, and equipment. To determine contract value for purchasing delegation, agencies must develop cost estimates in good faith using reasonable methods appropriate to the circumstances.

4.8 Informal Bids

PCC: F or Q

An informal bid is required for the purchase of goods or services with an estimated value ranging from \$10,000.01 to \$25,000. The informal bidding process should include a written request for pricing. Purchasers are encouraged to obtain responses from at least two Historically Underutilized Businesses (HUBs), when available, and make use of the Centralized Master Bidders List (CMBL).

4.8.1 Informal Bid Methods

1. Email Request

An Email Request is an informal request for pricing for specific commodities or services. The purpose of the pricing request is to obtain cost from at least one vendor.

2. Pricing Request

A Pricing Request is an informal request sent to vendors to obtain it pricing for specific commodities or services. A pricing request used when there are specific

4.8.2 Informal Bid - Pricing Request Procedures

1. Review the Purchase Requisition

Examine the Purchase Requisition received from the division.

2. Determine Commodity Codes

Identify the applicable NIGP class and item codes for the procurement.

3. Develop Specifications

Work with the division(s) to gather detailed specifications for the required good or service.

4. Conduct a Vendor Search

Depending on the cost, Purchasers will conduct a vendor search. If a vendor search is conducted, the Purchaser will use the "All Vendors" search criteria along with the relevant NIGP class(es) and item(s) to identify a minimum of three vendors within the appropriate county, city, or district that can supply the required goods or services. At least two of these vendors should be Historically Underutilized Businesses (HUBs). If two HUB vendors cannot be located, document all reference sources used in the purchase file.

5. Supplement the Vendor List, if Necessary

Non-CMBL vendors, including HUBs, may be added to the final vendor list to enhance competition, but written approval from the agency's Executive Director is required. Additionally, solicit a response from the vendor who last held the contract for the required goods or services, when applicable.

6. Print the Vendor List

Generate and print the CMBL vendor list, including any approved supplemented vendors. The list should include the date printed. Add this list to the purchase order and CAPPS file.

7. Solicit Responses

Solicit responses from each identified vendor.

8. Tabulate Responses

Tabulate the responses and select the vendor that offers the best value to TREC.

9. Process the Award

Issue a Purchase Order (PO) to the selected vendor and create a contract (when applicable).

10. CAPPs Documentation

In the CAPPs system, prepare and document the file with:

1. PCC Checklist
2. A copy of the Pricing Request or Invitation for Bid (IFB) sent out
3. Bid list (with HUB vendors designated)
4. Awarded Vendor response Note: All other responses in solicitation folder.
5. Tabulation form containing vendor contact name, address, and phone number
6. Finalized purchase order and contract, when applicable
7. Approved and signed proprietary statement, when applicable
8. Any other supporting verification documentation
9. PCC Checklist

11. Distribution

Distribute copies of the purchase order to the ordering division and the contract monitor, if applicable.

12. Save a Copy of the PO

Retain a copy of the purchase order in the file and in CAPPs.

4.9 Formal Solicitations

Delegated Purchase of Goods over \$25,000; Services \$50,000 to \$100,000; Purchases where SPD has granted delegation.

A formal solicitation is mandatory when the estimated value exceeds \$25,000 for goods and \$50,000 for services, whether by delegation from SPD (State Procurement Division) or statutory authority. Formal solicitations require issuing the solicitations to all vendors listed on the Centralized Master Bidders List (CMBL). Responses can be obtained using either the Invitation for Bid (IFB), Request for Proposal (RFP), or Request for Offer (RFO) forms.

PCC: S

Note: Purchasers should not sign vendor maintenance agreements or other documents that include terms and conditions. These documents should be reviewed by the contract attorney before being signed by Executive Management.

4.9.1 Solicitation Methods

1. Invitation for Bid (IFB)

An Invitation for Bid (IFB) is a formal solicitation for vendors to submit bids for specific commodities or services through a competitive process. The primary focus of the IFB is on pricing, with the award going to the lowest bid that meets the minimum specifications and requirements or provides the best value for the state. Negotiations are not permitted under this procurement method.

2. Request for Proposals (RFP)
A Request for Proposal (RFP) is a competitive solicitation that allows for negotiations. Evaluations for RFPs may consider factors beyond cost and are typically associated with service contracts. While RFPs are encouraged for commodities as well, they facilitate Best and Final Offer (BAFO) negotiations before the final award is made.
3. Request for Information (RFI)
A Request for Information (RFI) is a preliminary document distributed before initiating the RFP process. It collects vendor information from multiple companies to create a pool of prospects and generate a shortlist of candidates who meet the desired qualifications.
4. Request for Qualifications
A Request for Qualifications (RFQ) is generally used for professional services wherein the respondents are evaluated based solely on their qualifications and skills. Price is negotiated after the agency selects its preferred respondent based on how well the respondents met the solicitation qualifications.

Vendors proposal submission must include the mandatory requirements which may include cost to perform the specific work. Note: Price however cannot be a factor until after the vendor is selected.

4.9.2 Formal Solicitation Procedures (IFB, RFP, RFO)

The following steps outlines the steps to be followed when facilitating a formal solicitation process. Note that these steps may vary depending on the specific requirements of the solicitation.

- 1. Determine if the Purchase is an Emergency**
If yes, require an emergency justification form and notify the Procurement Manager immediately.
- 2. Select the Commodity Code(s)**
Identify the applicable NIGP class and item codes for the procurement.
- 3. Develop a Procurement Plan**
For purchases of \$100,000 or more complete a procurement plan, determine the procurement project lead and project team, appropriate contacts, and draft timeline, or when appropriate.
- 4. Review Risk and Needs Assessment**
For purchases of \$100,000 or more, review the risk and needs assessment provided by the Division or when appropriate.
- 5. Non-Disclosure Form**
Require Division staff to review and sign a non-disclosure form.
- 6. Develop Specifications**
Work with the division(s) to gather detailed specifications or a scope of work for the required good or service.

7. Proprietary or Sole Source Determination

If the good or service is proprietary or sole source, draft a proprietary/sole source justification letter and submit to the purchasing manager for review and approval. Once approved, route the letter for executive management signature.

8. HUB Subcontracting Assessment

Determine if HUB subcontracting is a probability for purchases of \$100,000 or more.

9. Establish an Evaluation Committee

Work with the Project Lead to establish the evaluation committee. The evaluation committee members must be independent and objective, without any conflict of interest. Each committee member should meet the following criteria:

1. should not create even the appearance of impropriety;
2. must comply with the agency and State's conflict of interest disclosure policies;
3. must sign the Evaluation Committee Member Non-Disclosure and Conflict of Interest Disclosure Statement;
4. must be knowledgeable about the matter under evaluation and add value to the process; and
5. must attend every evaluation meeting, each oral presentation, and all site visits to respondent premises.

NOTE: An Evaluation Team may not be required for IFB solicitations if best value is based on lowest cost.

10. Pre-Bid Conference

Determine if there will be a pre-bid conference.

11. Establish Solicitation Timeline

Create a timeline or review the timeline established during the evaluation plan stage and update, if needed.

12. Finalize Solicitation Document

Incorporate all final edits to the solicitation document. Ensure that the team lead and all committee members have reviewed and approved the final solicitation document. Also ensure that General Counsel has reviewed and approved, when appropriate.

13. Conduct a Vendor Search

Use the "All Vendors" search criteria along with the relevant NIGP class(es) and item(s) to identify vendors within the appropriate county, city, or district that can supply the required goods or services. At least two of these vendors should be Historically Underutilized Businesses (HUBs). If two HUB vendors cannot be located, document all reference sources used in the purchase file.

14. Print and Save CMBL

If the procurement involves a service purchase of over \$100,000, do not limit the search to your highway district. Print the vendor list from the CMBL and include it in the procurement file.

15. Supplement the Vendor List, if Necessary

Non-CMBL vendors, including HUBs, may be added to the final vendor list to enhance competition, but written approval from the agency's Executive Director is required prior to solicitation. Additionally, solicit a response from the vendor who last held the contract for the required goods or services, when applicable.

16. Comptroller's SPD Review

Determine if SPD Review or delegation request is required.

1. Goods over \$50,000 – a delegation request must be submitted as an Open Market Requisition (OMR) Email.
2. Services over \$100,000 – a delegation request must be submitted through the Procurement Oversight & Delegation portal.

If approved, proceed to the next step.

If not approved, follow the SPD – Administered Agency-Specific Procurement instruction.

17. Confirm Evaluation Team

Confirm the evaluation team, ensure that all team members have signed and returned their Non-Disclosure and Conflict of Interest Disclosure Statement.

18. Solicit Responses

Solicit responses from each identified vendor.

19. Post Solicitation Information

Post solicitation information to the Electronic State Business Daily (ESBD) unless specifically exempted under Texas Government Code §2155.083 for 14 days (if posting the solicitation) or 21 days (if posting a notice).

20. Conduct Pre-Bid Conference

Hold a pre-bid conference if referenced in the solicitation document.

21. Receive and Respond to Vendor Questions

If the solicitation specifies a deadline for submitting questions, vendors must submit their questions by that date. The agency will review the questions, provide responses by issuing an addendum to the solicitation document.

22. Collect and Ensure Timely Bids

Collect and track responses to ensure that vendors met the solicitation deadline. No responses should be accepted after the solicitation deadline.

23. Response Due Date and Information Release:

1. For the IFB process, a public opening to announce respondents and pricing may occur, when appropriate. If not in the best interest of the solicitation, state that no information will be released until after the award.
2. For the RFP process, a public reading of respondents will not be read to protect negotiations and comply with statutory requirements (Texas Government Code §§ 2156.123 – 2156.124).

- 24. Schedule Evaluation Team Meeting**
Schedule a meeting for the evaluation team to instruct them and distribute responses.
- 25. Initial Administrative Review**
Purchaser conducts an initial review to verify responsiveness to minimum requirements. The HUB Coordinator will review the HSP, when applicable.
- 26. Remove Cost Information**
Separate all cost information, prepare evaluation review packets for the evaluators and schedule a meeting to review the evaluation process with the evaluators.
- 27. Evaluate Responses**
The evaluation team evaluates responses according to established criteria, which may include vendor reference checks. This information is then sent to the Purchaser or Evaluation Team Lead.
- 28. Review Tabulation Results**
The Purchaser schedules a meeting to review the tabulation results with the evaluation team to determine if vendor presentations are needed.
- 29. Vendor Presentations**
The Evaluation Team will determine if vendor presentations are necessary. If yes, the Purchaser will schedule presentations. The evaluation team will be instructed to review presentation notes and rescore, if needed.
- 30. Review Evaluation Scores**
The Purchaser will review and consolidate all scores on a combined bid tabulation form, identifying the recommended vendor for award.
- 31. Review Tabulation Results**
The Purchaser schedules a meeting to review the tabulation results with the evaluation team to determine the recommended vendor for award.
- 32. Draft Contract Document, and conduct Negotiation with General Counsel and Vendor, (RFP, RFO only, when applicable)**
Purchasing works with General Counsel to draft contract.
- 33. Maintain Electronic Copies**
Purchasing will maintain an electronic copy of all responses.
- 34. Ethics Commission Certification**
For contracts over \$1M, obtain the Ethics Commission's Certificate of Interested Parties (Form 1295) submitted by the vendor.
- 35. Backup Verification Documentation**
Print all backup verification documentation (e.g., vendor list, debarment checks, SAMs, etc.) to verify good standing.
- 36. Prepare PCC Checklist**
Prepare the appropriate PCC checklist and sign.

37. Route Contract

Finalize contract internally. Once approved, send contract for vendor signature. Once contract is signed by the vendor, route the contract for executive management signature.

38. Process the Award

Process the award by issuing a Purchase Order (PO), including the contract by reference.

39. Send PO to Vendor

Send the PO and the contract referenced in the PO to the vendor and the agency requisitioner and contract monitor.

40. Post Award on ESBD

Post the award for all contracts \$25,000 and over within 2 business days of the award.

41. Submit Contract to LBB

Submit the contract to the Legislative Budget Board (LBB), when applicable, within 30 days. TREC is required to submit information to the LBB for: (1) All IT contracts over \$100K, Professional and Consulting Services over \$50K.

42. Finalize the Solicitation File and save the PO and backup documentation in CAPPS.

Prepare and attach the following to the CAPPS PO:

1. PCC Checklist
2. Copy of Pricing Request, IFB, or RFP
3. Non-Disclosure forms, when applicable
4. Bid list (with HUB vendors designated)
5. Vendor original responses
6. Tabulation form including vendor contact name, address, and phone number
7. Purchase order
8. Proprietary statement, if needed
9. All backup verification documentation
10. Place a copy of the PO in the PO file and CAPPS

43. Schedule a contract management meeting

The purchaser will schedule a contract kickoff meeting with the agency contract monitor and vendor, when applicable.

Part 5. Other Delegated and Non-Delegated Services

The SPD has delegated purchasing authority to agencies in the following categories of purchase:

1. Emergency purchases
2. Internal repair purchases
3. Direct publications

5.1 Emergency Purchases

PCC: D, F, Q, S, T

An emergency purchase is a response to an unforeseen circumstance requiring immediate action to avert an actual or potential public threat or to prevent undue additional costs to the agency or the state. It is essential to note that a lack of planning or the impending expiration of funds does not constitute an acceptable justification for declaring an emergency. In cases where a Declaration of Disaster is issued by the Governor, procedures will follow the CPA's Contract Management Guide.

Responsibility for Declaration

The decision to declare an emergency purchase rests solely with TREC. If an emergency is determined, a written justification must be included in the procurement file.

Procedure for Requesting an Emergency Purchase

1. A division requesting an emergency purchase must complete an emergency justification form and submit it along with the requisition to the Purchasing Section through the CAPPS system.
2. The emergency justification form must be approved by the Purchasing Manager and will be included in the procurement file.

Maintaining Competitiveness

All emergency procurements should strive to maintain competitiveness within the given circumstances. If a solicitation is not posted on the Electronic State Business Daily (ESBD), the Purchasing Section should make a reasonable effort to obtain at least three informal bids.

Posting Requirements

Emergency purchases exceeding \$25,000 must be posted to the ESBD. The minimum posting time for the solicitation may be adjusted as necessary to address the emergency.

Review and Duration

Emergency purchases may be subject to CAT and QAT reviews depending on the estimated dollar value. The period of service should not extend beyond the scope or duration of the emergency.

Comptroller's Requirements

Emergency purchases of goods or services exceeding \$25,000 require TREC to submit a comprehensive written explanation of the emergency, along with other required documentation, to the Comptroller's Statewide Procurement Division (SPD).

Other Considerations

1. For contracts over \$1M, obtain the Ethic's Commission's Certificate of Interested Parties (Form 1295) submitted by the vendor.
2. Save all backup documentation with the purchase order in CAPPS.
3. Post PO to LBB site (when applicable).

5.2 Internal Repair

An internal repair is the repair of state-owned equipment where the extent of the required work cannot be reasonably defined before the repair begins. Typically, the full scope of the repair becomes apparent only after the equipment is disassembled and inspected.

Internal repairs are initiated in response to unexpected fundamental service outages. For example, if a building's air conditioning system suddenly fails, it may necessitate unforeseen repairs to electrical circuitry, which would be classified as an internal repair.

Internal repairs should include both labor costs and necessary parts.

All Internal Repair POs must include the following statements

1. "Internal Repair"
2. "Note to vendor: Not-to-exceed (insert reasonable dollar limit) for repair services unless prior authorization is provided by the agency."

Other Notes:

1. If the estimated purchase price is greater than \$25,000, post the solicitation and award information to the ESBD.
2. If the order is over \$100,000 and solicitation required, prepare contract file.
3. For contracts over \$1M, obtain the Ethic's Commission's Certificate of Interested Parties (Form 1295) submitted by the vendor.
4. If additional funds required obtain a purchase requisition for the additional funds and issue a Purchase Order Change Notice (POCN). NOTE: Competitive award is not required for an internal repair.
5. Save all backup documentation with purchase order in CAPPS.

5.3 Direct Publications

Publications and professional memberships may be procured directly from the publisher only if they are not available through a set-aside program, CPA term contract, TXMAS contract, or competitive bidding without specified dollar limits. It is essential to adhere to all State Procurement Division (SPD) guidelines when ordering direct publications. For direct publications exceeding \$25,000, purchasers must post the procurement on the Electronic State Business Daily (ESBD) for a minimum of 14 days.

5.3.1 Direct Publication Declaration

The following statement must be included on Purchase Orders (POs) for direct publication purchases: "Direct Publication/Professional Membership - Not available from any other source."

5.3.2 Examples of Direct Publications

Direct publications include, but are not limited to:

1. Foreign publications
2. Out-of-print or rare publications
3. Back issues of magazines, journals, and newspapers

4. Publications produced by professional societies
5. Audio, visual, or audiovisual materials (e.g., films, audio presentations)
6. Computer software
7. Collections of any of the above items, and microfilm or microfiche copies
8. Library of Congress cards

For computer software to qualify as a direct publication, the procurement must meet the criteria for direct publication and be exempt or excluded from state set-aside programs and DIR procurement authority. Purchasers should determine the appropriate procurement method.

Note: Hardware and IT services may not be purchased as direct publications. Procurements made under SPD's delegation authority are subject to ESBD posting requirements, as well as the requirements for CAT and QAT reviews.

5.4 Statutorily Exempt

Certain goods and services are exempt from competitive bidding as defined by statute. For exempt purchases, the purchase order must reference the legal citation that provides the exemption. For additional information on statutorily exempt purchases, refer to the Comptroller Contract Management Guide.

Consultation Requirement

Some goods and services may fall outside SPD purchasing authority, be exempt from competitive bidding requirements, or be mandated by statute to be procured through a specific method. The agency's General Counsel must be consulted to confirm whether a purchase is statutorily exempt.

Processing Exempt Purchases

Exempt purchases are processed as Document Type 9 purchases and should have a blank or "0" in the PCC field.

If the purchase does not qualify for an exemption under the General Appropriations Act, Texas Government Code § 2151 et seq., or another statute, it must be competitively bid. Alternatively, it may qualify as a proprietary sole source purchase; in this case, a proprietary purchase justification must be included in the procurement file.

Note: Document Type 9 purchases are subject to post-payment audits to verify that the purchases are indeed exempt, and that the agency has used the correct Document Type and Comptroller Object Codes.

Exempt Purchase Categories

1. PCC: None; Doc Type: 9
2. State Treasury Funds: Purchases made with funds other than general revenue appropriations or funds not held in the state treasury.
3. Employee Payroll Exempt by Statute: Employee payroll and related items, including salary, FICA, Federal Income Tax, and Health Insurance.

5.5 Legal Services

The OAG provides legal services to state agencies. Except as authorized by other law, a contract for legal services between an attorney, other than a full-time employee of the OAG, and a state agency in the executive department, other than an agency established by the Texas Constitution, must be approved by the OAG to be valid. The OAG may require agencies to obtain outside legal services through a competitive procurement process, under conditions prescribed by the OAG.

Unless an exemption is obtained from the OAG, an agency is required to publish a Request for Qualifications (RFQ) on the ESD for a minimum of 30 calendar days before selecting outside counsel, regardless of the anticipated maximum liability of the anticipated Outside Counsel Contract (OCC).

See the Comptroller of Public Account's State Contract Management Guide for additional information.

5.6 Volunteer Appraisal Reviewer Process

The Texas Appraiser Licensing and Certification Board (TALCB) established a process to utilize experienced appraisers to serve as a Volunteer Appraisal Reviewer (VAR). The agency enters into a two-year agreement with a not to exceed amount of \$2800 for a two-year period and is asked to assist TALCB in performing appraisal reviews as part of an application for review of trainee work product.

[VAR Procedures](#)

5.7 Inter-Agency Contracts

Interagency Cooperation Contracts (IAC) are formal agreements between two or more agencies, authorized by Chapter 771 of the Texas Government Code. These contracts facilitate the provision of necessary and authorized services, including technical services, as well as materials and equipment.

Note: No Competitive Bidding: IACs are exempt from competitive bidding requirements.

1. Requirements for IACs

Before an agency can provide or receive services or resources under the Interagency Cooperation Act, the following conditions must be met:

2. Written Agreement: A written agreement must be executed, signed by authorized representatives from all participating agencies.

3. Contract Specifications: The IAC must clearly define:

1. The type and quantity of services or resources to be provided.
2. The basis for calculating reimbursable costs.
3. The maximum cost allowed during the contract term.

4. Statutory Compliance

To ensure compliance, contracting agencies must certify that:

1. The services specified are necessary and essential and align with the statutory functions and programs of the agencies.
2. The proposed arrangements promote efficient and economical administration.
3. The services, supplies, or materials contracted for do not require procurement under the lowest responsible bidder requirement.

4. The contract does not require or permit either party to exceed its duties, responsibilities, or the limitations of appropriated funds.

5. Exemptions from Written IAC Requirements

A written IAC is not required in the following circumstances:

1. **Emergency Situations:** When responding to emergencies that affect the defense or safety of the civil population or in the planning and preparation for such emergencies.
2. **Economic Development Initiatives:** For cooperative efforts proposed by the governor aimed at economic development.
3. **Low-Value Contracts:** In situations where the amount involved is less than \$50,000.

When an interagency exchange is exempt from the requirements for a written contract, the involved agencies must document the exchange using informal letters of agreement or memoranda.

Best Practices

Although a written IAC may not be required in certain circumstances, it is advisable to include a fixed term in all contracts. Specifying a termination date ensures that agencies regularly review and assess the need for the contract, as well as any necessary changes to the scope or pricing.

5.8 Request for Qualifications (RFQ) Solicitation Method

A Request for Qualifications (RFQ) is typically used for professional services, where respondents are evaluated solely on their qualifications and skills. This method is like an application process, outlining the expectations for vendors. Price negotiations occur only after the agency selects its preferred respondent based on their qualifications.

Vendors must respond to an RFQ by submitting their qualifications to perform specified work. The submissions are reviewed to determine the qualified respondent(s) who are requested to prepare a proposal, including cost, to perform the specific work as included in the RFQ. Price is not a factor until after the vendor is selected.

Request for Qualification Procedures

1. Determine if the Purchase is an Emergency

If yes, require an emergency justification form and notify the Procurement Manager immediately.

2. Select the Commodity Code(s)

Identify the applicable NIGP class and item codes for the procurement.

3. Develop a Procurement Plan

When applicable, complete a procurement plan, determine the project lead and project team, appropriate contacts, and draft timeline.

4. Review Risk and Needs Assessment

When applicable, prepare a risk and needs assessment provided by the Division.

5. Non-Disclosure Form

Require Division staff to review and sign a non-disclosure form.

6. Develop Specifications

Work with the division(s) to gather detailed specifications or a scope of work for the required service and the other components of the solicitation document.

NOTE: The solicitation document may request costs related to performing the specific work outlined in the RFQ. Pricing will not be considered until after the vendor selection process is complete.

7. Proprietary or Sole Source Determination

If the service is proprietary or sole source, draft a proprietary/sole source justification letter and submit to the purchasing manager for review and approval. Once approved, route the letter for executive management signature.

8. HUB Subcontracting Assessment

Determine if HUB subcontracting is a probability for purchases of \$100,000 or more.

9. Establish an Evaluation Committee

Work with the Project Lead to establish the evaluation committee. The evaluation committee members must be independent and objective, without any conflict of interest. Each committee member should meet the following criteria:

1. should not create even the appearance of impropriety;
2. must comply with the agency and State's conflict of interest disclosure policies;
3. must sign the Evaluation Committee Member Non-Disclosure and Conflict of Interest Disclosure Statement;
4. must be knowledgeable about the matter under evaluation and add value to the process; and
5. must attend every evaluation meeting, each oral presentation, and all site visits to respondent premises.

10. Pre-Bid Conference

Determine if there will be a pre-bid conference.

11. Establish Solicitation Timeline

Create a timeline or review the timeline established during the evaluation plan stage and update, if needed.

12. Finalize Solicitation Document

Incorporate all final edits to the solicitation document. Ensure that the team lead and all committee members have reviewed and approved. Also ensure that General Counsel has reviewed and approved, when appropriate.

13. Conduct a Vendor Search

Use the "All Vendors" search criteria along with the relevant NIGP class(es) and item(s) to identify vendors within the appropriate county, city, or district that can supply the required services. At least two of these vendors should be Historically Underutilized Businesses (HUBs). If two HUB vendors cannot be located, document all reference sources used in the purchase file.

14. Print and Save CMBL

Print the vendor list from the CMBL and include it in the procurement file.

15. Supplement the Vendor List, if Necessary

Non-CMBL vendors, including HUBs, may be added to the final vendor list to enhance competition, but written approval from the agency's Executive Director is required prior to solicitation.

16. Comptroller's SPD Review

Not Applicable.

17. Confirm Evaluation Team

Confirm the evaluation team, ensure that all team members have signed and returned their Non-Disclosure and Conflict of Interest Disclosure Statement.

18. Solicit Responses

Solicit responses from each identified vendor.

19. Post Solicitation Information

Post solicitation information to the Electronic State Business Daily (ESBD) unless specifically exempted under Texas Government Code §2155.083 for 14 days (if posting the solicitation) or 21 days (if posting a notice).

20. Conduct Pre-Proposal Conference

Hold a pre-bid conference if referenced in the solicitation document.

21. Receive and Respond to Vendor Questions.

If the solicitation specifies a deadline for submitting questions, vendors must submit their questions by that date. The agency will review the questions, provide responses by issuing an addendum to the solicitation document.

22. Collect and Ensure Timely Responses

Collect and track responses to ensure that vendors met the solicitation deadline. No responses should be accepted after the solicitation deadline.

23. Response Due Date and Information Release

A public reading of respondents will not be read.

24. Schedule Evaluation Team Meeting

Schedule a meeting for the evaluation team to instruct them and distribute responses.

25. Initial Administrative Review

Purchaser conducts an initial review to verify responsiveness to minimum requirements. The HUB Coordinator will review the HSP, when applicable.

26. Remove Cost Information

Separate all cost information, prepare evaluation review packets for the evaluators and schedule a meeting to review the evaluation process with the evaluators.

27. Evaluate Scope of Work Responses

The evaluation team evaluates responses according to established criteria, which may include vendor reference checks. This information is then sent to the Purchaser or Evaluation Team Lead.

28. Review Tabulation Results

The Purchaser schedules a meeting to review the tabulation results with the evaluation team to determine the recommended vendor for award.

29. Vendor Presentations, when needed

Evaluation Team will determine if vendor presentations are necessary. If yes, the Purchaser will schedule presentations. The evaluation team will be instructed to review presentation notes and rescore, if needed.

30. Recommend Selected Vendor

Evaluation committee will review final scores and make a recommendation for final selection.

31. Notify Vendor

Once approved, the Purchaser will notify the recommended vendor and begin the cost negotiation phase.

32. Evaluate Cost Proposals

Review the cost proposal to determine reasonableness and if the cost is within budget. If all are in agreement, proceed with recommendation for award.

33. Draft Contract Document

Purchasing works with General Counsel to draft contract.

34. Maintain Electronic Copies

Purchasing will maintain an electronic copy of all responses.

35. Ethics Commission Certification

For contracts over \$1M, obtain the Ethics Commission's Certificate of Interested Parties (Form 1295) submitted by the vendor.

36. Backup Verification Documentation

Print all backup verification documentation (e.g., vendor list, debarment checks, SAMs, etc.) to verify good standing.

37. Prepare PCC Checklist

Prepare Doc Type 9, PCC: None checklist.

38. Route Contract

Finalize contract internally. Once approved, send contract for vendor signature. Once contract is signed by the vendor, route the contract for executive management signature.

39. Process the Award

Process the award by issuing a Purchase Order (PO), including the contract by reference.

40. Send PO to Vendor

Send the PO and the contract referenced in the PO to the vendor and the agency requisitioner and contract monitor.

41. Post Award on ESBID

Post the award for all contracts \$25,000 and over within 2 business days of the award.

42. Submit Contract to LBB

Submit the contract to the Legislative Budget Board (LBB), when applicable, within 30 days. The agency is required to submit information to the LBB for: (1) All IT contracts over \$100K, Professional and Consulting Services over \$50K.

43. Finalize the Solicitation File and save the PO and backup documentation in CAPPS.

Prepare and attach the following to the CAPPS PO:

1. PCC Checklist
2. Copy of Pricing Request, IFB, or RFP
3. Non-Disclosure forms, when applicable
4. Bid list (with HUB vendors designated)
5. Vendor original responses
6. Tabulation form including vendor contact name, address, and phone number
7. Purchase order
8. Proprietary statement, if needed
9. All backup verification documentation
10. Place a copy of the PO in the PO file and CAPPS

44. Schedule a contract management meeting

The purchaser will schedule a contract kickoff meeting with the agency contract monitor and vendor, when applicable.

Part 6 Automated Information Systems

Various methods can be used for procuring Automated Information Systems (AIS). All AIS purchases must be processed through a pre-established DIR contract, or the agency must obtain a waiver or use a blanket exemption to purchase through the open market.

Department of Information (DIR) goods or services PCC: I

6.1 Types of DIR Contracts

The Department of Information Services (DIR) contracts include:

1. Cooperative Contracts
2. Deliverables-Based IT Services (DBITS) Contracts
3. IT Staff Augmentation Contracts
4. Shared Technology Services (STS) Contracts
5. Communications Technology Services (CTS) Contracts

6.2 DIR Thresholds

To determine the appropriate procurement method, assess whether the requested hardware, software, or service is available through a DIR contract. Use the following criteria for obtaining quotes (link to DIR Procurement Professionals Guide): [DIR Procurement Professionals Guide](#).

Contract Value	# Of Vendors
Up to \$50,000	Direct award to DIR vendors or resellers
Over \$50,000 but not exceeding \$1 Million	Request pricing from at least three DIR vendors or resellers
Over \$1 Million but not exceeding \$5 Million	Request pricing from at least six DIR vendors or resellers
Over \$5 Million but not exceeding \$10 Million	Option to enter a contract through DIR; request pricing from at least six vendors
Over \$10 Million	Cannot use DIR cooperative contracts

6.3 Services

DIR offers contracts for the following services:

1. IT Staffing Services
2. Support Agreements
3. Maintenance Agreements
4. Hardware or Software Only Contracts

A statement of work must be established for purchases over \$50,000 and are for the following:

5. Cloud Services
6. Deliverables Based Information Technology Services (DBITS)
7. Managed Services for Information Technology
8. IT Security Services
9. Comprehensive Web Development

DIR has established contracts that prequalify vendors to respond to SOWs across a variety of [technology categories](#), including:

1. [Deliverables-Based Information Technology Services \(DBITS\)](#)
2. End-User IT Outsourcing Services
3. IT Security Services
4. [IT Staffing Services](#)
5. [Cloud Services \(when an SOW is executed\)](#)
6. Comprehensive Web Development
7. Digital Management Services
8. Complex services such as software or hardware customizations, integration, or overall project solutions

Statement of Work Reviews do not apply to:

1. [Shared Technology Services Program](#)
2. [Communications Technology Services](#)
3. [Managed Services for Telecommunications](#) contracts have a separate review process for approval of SOW.

6.4 DIR Guides and Templates

Guides:

1. [DIR SOW Application User Guide](#)
2. [DIR Portal Application User Guide](#)

Templates:

1. [DIR IT Staffing SOW Template](#)
2. [DIR DBITS SOW Template](#)
3. [DIR Cloud Services SOW Template](#)
4. [DIR End-User IT Sourcing SOW Template](#)

6.5 DIR Waiver

The DIR establishes contracts for acquiring information technology goods and services on behalf of the State of Texas. If a specific item or service is not available through DIR contracts and does not meet the criteria of a blanket exemption, the agency must seek an exemption from DIR, allowing the agency to proceed with procurement via methods approved by the Comptroller of Public Accounts (CPA).

PCC: D

Purchasers must obtain approval from the IT division before purchasing any IT-related software or services, especially those related to cloud computing.

DIR Exemption process: [DIR Exemptions](#).

6.5.1 Processing tips

For Purchases Under \$10,000: If not available through DIR, purchases can be made with a non-DIR vendor without obtaining an exemption. The PO must reference the DIR blanket exemption, and the PO file must include all backup verification documentation and the PCC D checklist. If multiple bids are obtained, a bid tabulation must be included.

For Purchases Over \$10,000: If not available through DIR, an exemption request must be submitted to DIR, and the order cannot be processed until DIR approves the exemption.

6.6 TX-RAMP Certification

The Texas Risk and Authorization Management Program (TX-RAMP) provides a standardized approach to assessing the security of cloud computing services, as outlined in Texas Government Code Section 2054.0593.

6.6.1 The Scope.

[Texas Risk and Authorization Management Program \(TX-RAMP\) Program Manual](#)

Cloud computing services must exhibit the following five essential characteristics:

1. **On-Demand Self-Service:** Users can provision computing capabilities without human interaction.
2. **Broad Network Access:** Services are available over the network and accessible via standard mechanisms.
3. **Resource Pooling:** Resources are pooled to serve multiple consumers using a multi-tenant model.
4. **Rapid Elasticity:** Capabilities can be provisioned and released rapidly, scaling according to demand.
5. **Measured Service:** Resource usage is monitored and reported for transparency.

6.6.2 The Determination

IT will determine if the requested software or service requires TX-RAMP certification. If it exhibits the characteristics listed above or if you are unsure, the purchaser will:

1. Send an email with the software name, version, manufacturer, and any relevant information.
2. Wait for a response from IT, which may include:
 - Approval to proceed with the purchase
 - A request to hold the purchase
 - Denial of approval

Upon approval, the Purchaser should process the order and include a copy of the approval in the purchasing file. If the request for approval is denied, the purchaser will notify the division to discuss alternative options.

6.7 Contracts Over \$1M

The Ethic's Commission's Certificate of Interested Parties (Form 1295) must be obtained from the vendor. All contracts over \$1M must be posted on the LBB website.

6.8 Solicitation Methods

6.8.1 Informal Bids – DIR Contracts

PCC: I

An informal bid or request for quote is required for the purchase of goods or services with an estimated value ranging under \$50,000. A request for pricing is required for purchases over \$50,000. The informal bidding process should include a written request for pricing from DIR contractors. If the goods or services are not available from a DIR contractor, the purchaser must determine if a waiver is required. If a waiver is required, the purchaser should follow the processes as outlined in Section 4 of this guide.

Informal Bid Methods

The Informal Bidding Methods for DIR Purchases may follow the steps as outlined in section 4.8.1 of this guide. The Vendor must include the DIR Contract Number with all requests for pricing.

If the goods or services are not available through a DIR contractor, Purchaser must follow the DIR Waiver process as outlined in Section 6.5 of this guide.

6.8.2 Formal Bids – DIR Contracts

For a contract with a value of more than \$50,000, formal bid or request for quote must be obtained. If the goods or services are not available from a DIR contractor, the purchaser must determine if a waiver is required. If a waiver is required, the purchaser should follow the processes as outlined in Section 4 of this guide.

If the goods or services are not available through a DIR contractor, Purchaser must follow the DIR Waiver process as outlined in Section 6.5 of this guide.

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7.1 Introduction

The procurement card should be used in accordance with and in compliance with the State of Texas and TREC policy and procedures. Procurement card holders should use the procurement card when a purchase order is not accepted, or an expedited procurement process is required.

7.2 How to Obtain a Procurement Card

To obtain a procurement card:

1. A procurement card application must be completed, signed by the employee's division director, and submitted to the TREC purchasing manager.
2. Once the application is received and approved, the employee requesting the procurement card must undergo procurement card training.
3. Successful completion of the training program is a prerequisite for card issuance.
4. The purchasing manager will either issue the card to the cardholder in person or send it via express mail upon receipt.

Note: Procurement cards are exclusively issued to Purchasers in Financial Services.

7.3 Procurement Card Agreement

Every individual assigned a procurement card is required to sign an Acknowledgement of Receipt Form before activating the card. The completed form should be promptly returned to the purchasing manager.

7.4 Requirements

1. Purchases made using the procurement card must be conducted exclusively by the cardholder.
2. The cardholder bears responsibility for both the security of the procurement card and all transactions performed with it.
3. The procurement card should be securely stored in a locked location at all times.
4. The procurement card must be utilized solely for official state business.
5. The cardholder is authorized to use the procurement card with any vendor or service provider that accepts it, is not on the restricted list, and is in good standing with the State of Texas.
6. The procurement card may be used for in-store purchases, online transactions, mail, telephone, or fax orders.
7. The cardholder may use the procurement card to purchase specific approved items and services as long as they fall below the established single transaction limit.
8. The total amount spent in a given month should not exceed the credit limit assigned to the procurement card.
9. The cardholder is responsible for reconciling the bank statement to ensure the accuracy of all charges.
10. The procurement card should not be used to circumvent proper purchasing or payment procedures.
11. The procurement card is strictly for official use and not intended for personal transactions.

12. The procurement card must be returned to the program administrator before transfer or termination.

Note: Failure to adhere to TREC's procurement card guidelines may result in disciplinary action, including potential termination of employment.

7.5 Credit Limits

All procurement cardholders are assigned a monthly spending limit. These limits may vary for each cardholder and will be determined and established by the State program administrator.

To modify procurement card limits, a cardholder maintenance form must be completed. The form requires approval from division management and should be submitted to the purchasing manager, who will then forward the request to the bank for processing.

7.6 Faxed, On-Line, Email, or Verbal Transactions

Verbal, online, faxed, and email transactions must be carefully verified. Credit card purchases should be confirmed by contacting the vendor. The purchaser must ensure that the vendor accepts faxed, verbal, or email credit card transactions. After the transaction is completed, the purchaser must confirm that the credit card transaction was successfully processed and received by the vendor.

7.7 Requisition Submission Requirements

All procurement card transactions must be initiated through a purchase order before execution. A requisition submitted by a division but not incorporated into a purchase order is considered an unauthorized purchase unless specifically approved in writing by the purchasing manager.

7.8 Purchase Order Assignments

A unique purchase order number will be designated to each procurement card holder. To process a requisition, the transaction is added to the purchaser's procurement card purchase order. A new purchase order will be issued annually, with tracking managed by the procurement card holder through a transaction log.

7.9 Procurement Card Site.

To review procurement card transactions, go to: <https://home.cards.citidirect.com/CommercialCard/login>

7.10 Procurement Transaction Verification

Each procurement card transaction will be added to the purchase order with the following line-item details. The quantity and unit of measure should correspond with the purchase. For example: 3 @ \$5.00, resulting in an extension cost of \$15.00, and the credit card transaction will be \$15.00.

The procurement card holder is responsible for tracking all purchases in a transaction log for every billing cycle.

For each requisition added to the purchase order, appropriate backup documentation must be included, such as receipts, a purchase order checklist, and vendor check documents, among other relevant documents. Additionally, a warrant hold check must be printed and added to the file for all transactions exceeding \$500.

Note: The cardholder is required to obtain a receipt or confirmation for every transaction. The transaction log must be consistently maintained, reconciled, and submitted to accounts payable at the end of each billing cycle, along with the procurement card monthly statement.

7.10.1 Transaction Log format

Purchaser Transaction logs can be found at:

<https://trexalcb.sharepoint.com/sites/Reports2/Credit%20Card%20Logs/Forms/AllItems.aspx>

7.10.2 Procurement Card Statement Reconciliation

The procurement card holder must:

1. Reconcile log with the statement.
2. Confirm and/or update the transaction log.
3. Attach all receipts to the PO online folder for each line item.
4. Contact Accounts Payables if there is a discrepancy.

7.11 Sales and Use Tax

The cardholder is responsible for ensuring that sales and use tax are not included on the order.

7.12 Capital or Controlled Assets

The procurement card **should not be used to purchase capital or controlled items** unless approved in writing by the Director of Finance. If approved, the correct expenditure object code established for the type of assets being purchased must be used. The Texas Identification Number/Payee Identification Number/Vendor Identification (TIN/PIN/VID) of the selling vendor must be entered into USAS, rather than the TIN/PIN/VID of the state credit card issuer.

7.13 Cardholder Security

The cardholder is responsible for the security of the card. The procurement card should be treated with the same level of care as the cardholder would use with his/her own personal charge cards, even though the liability associated with the use of this card lies with the agency. The cardholder must guard the procurement card account number carefully, keeping it confidential at all times. It should not be posted in a work area or left in a conspicuous place. It should be kept in an accessible but secure location.

* The procurement card is solely authorized for use by the cardholder whose name appears on the card and is to be used exclusively for official state business.

7.14 Prohibited Purchases

The card holder may use the card for items specifically identified on the PO. If the item or service is not specifically listed, the procurement card should not be used.

In addition, Per **Texas Administrative Code, Title 34, Part 1, Chapter 5, Subchapter E, Section 5.57(g)**, a TREC cardholder may not use the card and may not reimburse an officer or employee for the use of a payment card for:

1. Personal purchases or any other purchase not connected with official state business.
2. Cash advances.
3. Consulting Services.
4. Goods or services that require prior approval of another state agency.

5. Purchases subject to audit by the Texas Comptroller of Public Accounts.
6. Purchases from vendor if payment to the vendor is prohibited by:
 - o Government Code §403.055 or §2107.008
 - o Education Code §57.48, or §57.482
 - o Family Code §231.007
7. Purchases that violate any provision of the General Appropriations Act regarding the occurrence of excess obligation provisions.
8. Purchases of automotive fuel.

7.15 Liability Requirements

TREC may be liable for late payment fees and transactions charged to lost and stolen cards if lost or stolen cards are not reported immediately. The agency will have no liability for transactions that occur after notification of a card being lost or stolen. For unauthorized charges made prior to the card being reported lost or stolen, the cardholder's liability is limited to a maximum of \$50 per card (up to \$100,000).

If a procurement card is lost or stolen, immediate notification of Citibank is essential by calling 1-800-248-4553. Inform the bank that the card in question is a Texas Real Estate Commission procurement card. Subsequently, notify the Procurement Card Administrator.

The bank will deactivate the old card and issue a new one to the program administrator. The cardholder will be notified by email upon the arrival of the new procurement card. TREC will have no liability for transactions that occur after notification of a card being lost or stolen. For unauthorized charges made prior to the card being reported lost or stolen, TREC's liability is limited to a maximum of \$50 per card (up to \$100,000).

7.16 How to Handle Returns, Credits, and Disputed Charges

In the event of a return, credit, or dispute related to a purchased item, service, or other charge, all reasonable attempts should be made to resolve the issue directly with the supplier. Ensure that the account is properly credited for the return, credit, or disputed charge. Document all returned, credited, or disputed items in the Cardholder's Procurement Card Transaction Log.

Per the State Comptroller's rule, cardholders are not authorized to receive cash refunds for returned merchandise. All credits or refunds must be applied to the same cardholder account used for the original purchase.

1. Returns: If a cardholder needs to return an item to a supplier, contact the supplier for return instructions. Note that some suppliers may charge restocking or handling fees for returns. Record all returns in the cardholder's transaction log.
2. Credits: When a supplier accepts an item as a return, a credit for the returned item should appear on a future month's statement. Document all credits in the cardholder's transaction log.
3. Disputed Charges: A cardholder may dispute a charge that appears incorrect or is not recognized as part of an authorized purchase. Initially, the cardholder should make a good-faith effort to settle the claim or dispute for purchases directly with the vendor. If an agreement cannot be reached with the vendor, contact Citibank at 800-248-4553 and complete and submit a Citibank Cardholder Dispute Form to Citibank within 60 days of the statement date on which the disputed transaction was posted. Record all disputed items in the cardholder's transaction log. Disputes must be sent to Citibank within 60 days of the billing close date. The closing date for the previous billing cycle is on the 3rd of the next month. The

Non-Travel Related Dispute form may be requested by the Citibank Chargeback Specialist and should only be completed upon their request.

7.17 Reporting of Fraudulent Use of a Procurement Card

1. Financial Services, Director of Finance at 512-936-0102
2. CitiBank Fraud Department 800-945-3114

7.18 Employee Separation or Termination

The procurement card must be returned to the program administrator upon the transfer, separation, or termination of employment. The program administrator should deactivate the card immediately upon notification of termination or separation.

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The Texas Real Estate Commission (TREC) has established contract management procedures in compliance with the State of Texas Contract Management Guide (CMG), the State of Texas Procurement Manual and the Department of Information Resources (DIR) rules.

8.1 Conflict of Interest

By statute, any person involved in the development or approval of a contract that has an actual or potential conflict of interest must disclose it and must be removed from involvement in the contract process.

All purchasing staff and other staff involved in contract approval must sign a conflict-of-interest statement certification.

Each signatory in the workflow approval of a contract, by approving the contract, certifies that he or she:

1. Has no interest in, or connection with, the contract.
2. Has not accepted or received, and will not accept or receive, from a person or entity to whom the contract has been awarded, directly or indirectly, anything of value or a promise, obligation, or contract for future reward or compensation, and
3. Has disclosed any possible conflicts of interest to the Executive Director.

TREC staff that has knowledge of any conflict of interest by any staff involved in the procurement process that has previously not been disclosed must report it to the General Counsel and the Executive Director.

TREC may not enter into a contract for the purchase of goods or services with a private vendor with whom any of the following agency employees or officials have a financial interest:

1. A member of the agency's governing body.
2. The governing official, Executive Director, General Counsel, Chief Procurement Officer, or Procurement Director of the agency; or
3. Family member related to an employee or official within the second degree by affinity or consanguinity.
4. A state agency employee or official has a financial interest in a vendor if the employee or official: owns or controls, directly or indirectly, an ownership interest of at least one percent in the vendor, including the right to share in profits, proceeds, or capital gains; or awarding a contract to the vendor could result in a financial benefit to the employee or official. A financial interest prohibited by this section does not include a retirement plan, a blind trust, insurance coverage, or an ownership interest of less than one percent in a corporation.

8.2 Steps in the Contract Process

8.2.1 Identify Need

The Purchaser serves as the contract manager and collaborates with the requesting users to establish a clear understanding of the need. This may involve requesting additional details, seeking clarification, contacting vendors or service providers, consulting with

the CPA Statewide Procurement Division (SPD) or Department of Information Resources (DIR), conducting research, or referring to state-approved sources. The Purchaser will then obtain a quote or verify a quote received from the requesting department.

8.2.2 Submission of Purchase Requisition

The requesting department must submit an approved Purchase Requisition.

Effective planning is paramount in Contract Management. Extensive planning reduces risks and ensures that the solicitation process results in a robust contract that can be efficiently monitored and managed.

The requesting department will consult with the purchasing and legal departments as necessary, identify needs, and plan accordingly. Senior team members, General Counsel, and the Executive Director may be involved in the initial planning stages to prevent issues later in the process.

8.2.3 Perform Risk Assessment

After determining the required services, the Purchaser collaborates with the requesting department and team members to assess the agency's risk level and develop strategies to minimize risks through contract requirements.

Risk factors to be considered include, but are not limited to:

1. Type of purchase (competitive/non-competitive)
2. Payment type/structure
3. Dollar amount of the contract
4. Scope of goods/services being procured
5. Vendor background and experience

8.2.4 Identify Procurement Method

Determine the appropriate procurement method in compliance with the State of Texas Procurement and Contract Management Guide or DIR's Statement of Work procedures.

8.2.5 Prepare Solicitation Document.

The Purchaser should follow the steps as outlined in the Section 4.6, Solicitation Process. If the purchase is IT related, the purchaser should work with the division to develop a comprehensive Statement of Work (SOW).

8.2.6 Negotiate/Best & Final Offer, when applicable.

The Purchaser and Evaluation team will:

1. Negotiate with vendors to achieve the best value based on best value standards.
2. Request Best and Final Offers from responsive vendors if necessary.
3. Reach an agreement on the contract terms with the other party, keeping in mind that certain standard legal terms may not be negotiable.

The Purchaser will

1. Compile and total scores from the evaluation score sheets completed by each Evaluation Team Member.
In some situations, a second evaluation scoring matrix may be required.
2. Prepares the final scoring tabulation and presents scores to the evaluation team.
3. Finalize the Evaluation Team's best vendor recommendation in accordance with state purchasing rules.

8.2.7 Best Value Standards

In determining the best value, the Purchaser will work with the Evaluation Team to prioritize factors like:

1. purchase price
2. adherence to specifications
3. installation costs
4. life cycle costs
5. quality and reliability of goods and services
6. delivery terms
7. past vendor performance
8. vendor's financial resources and ability to perform
9. vendor's experience
10. capability or responsibility
11. cost of training
12. other factors relevant to the specific purchase

Depending on the contract value, the Purchaser will document the best value standard used for awarding the contract on the purchase order or supporting documentation. Next, the Purchaser will acknowledge in writing that the procurement complies with the State of Texas Procurement and Contract Management Guide.

8.2.8 Award

The Evaluation team will:

1. Select the best vendor in accordance with state purchasing rules.
2. Present the award recommendation to the Commission if approval is required.
3. Notify the vendor of the award and issue a purchase order and/or contract to the awarded vendor.

8.3 Issuing a Contract

For larger, complex purchases, a contract may be appropriate in addition to a purchase order. The contract is usually drafted by the General Counsel and reviewed by the Financial Services Director, the Purchaser, the Executive Director, and other necessary team members.

8.4 Contract Management

The Purchasing Section will manage the overall contract requirements and is responsible for the day-to-day management of contracts, including:

1. Monitor vendor performance and fiscal, financial, and record keep requirements.
2. Report vendor performance in the Comptroller's Vendor Performance Tracking System.
3. Work with Contract Monitors to resolve performance and compliance issues.
4. Work with divisions to ensure that deliverables are received, reviewed and approved.
5. Document receipt of contract deliverables and communicate acceptance of these deliverables to the appropriate section.
6. Process contract modifications, addendums, Purchase Order Change Notices, etc.
7. Settle contract disputes.
8. Recommend renewal or non-renewal of the contract.
9. Handle contract termination and closeout.
10. Maintain complete and accurate contract correspondence and documentation.
11. Attend contract management continuing education to maintain certification as a Certified Texas Contract Manager (CTCM).

For specialized contracts, after a contract has been awarded, the requesting division designates a Contract Monitor who will:

1. Apply specialized knowledge, skills, and techniques to support program activities.
2. Administer and manage daily operations of required services established in contract.
3. Manage and monitor performance as required in the contract. This may require involvement of the Purchaser should a dispute arise.
4. Ensure vendor meets required performance objectives defined in the contract.
5. Oversee delivery and receipt of services.
6. Certify services were performed and deliverables met.
7. Review invoice to confirm acceptance of services, when applicable.

8.5 Vendor Performance

After a contract has been completed or terminated, information about that vendor's performance shall be entered into the Comptroller's Vendor Performance Tracking System (VPTS); and as a part of the closeout process for all purchases over \$25,000, vendor performance information both positive and negative shall be entered into the VPTS.

8.6 Records Retention of Contracts

For contracts and purchase orders entered into after 9/1/2015, the agency must retain in its records each contract and related documents for a period of seven (7) years after contract expires, is terminated, or is completed, and after all issues have been resolved. This includes all solicitation documentation.

For contracts and purchase orders entered prior to 9/1/2015, the records retention period is four (4) years.

Authority:

Texas Government Code, Title 10, Subtitle F, Chapter 2262 – Statewide Contract Management

Part 9. Vendor Protest Procedures

TITLE 22, PART 23, CHAPTER 534 GENERAL ADMINISTRATION

The Texas Real Estate Commission (TREC) adopts amendments to 22 TAC §534.7, Vendor Protest Procedures, in Chapter 534, General Administration, without changes, as published in the June 7, 2024, issue of the Texas Register (49 TexReg 4008). Filed with the Office of the Secretary of State on August 22, 2024. TRD-202403885

Effective date: September 11, 2024

[§534.7. Vendor Protest Procedures](#)

Vendor Protest Procedures

- (a) The purpose of this section is to provide a procedure for vendors to protest purchases made by the Commission and the Board. Protests of purchases made by the TFC on behalf of the Agency are addressed in 1 TAC Chapter 111, Subchapter C (relating to Complaints and Dispute Resolution). Protests of purchases made by DIR on behalf of the Agency are addressed in 1 TAC §201.1 (relating to Procedures for Vendor Protests and the Negotiation and Mediation of Certain Contract Disputes and Bid Submission, Opening and Tabulation Procedures). Protests of purchases made by the Statewide Procurement Division of the Comptroller on behalf of the Agency are addressed in 34 TAC Chapter 20, Subchapter F, Division 3 (relating to Protests and Appeals). The rules of TFC, DIR, and the Comptroller are in the Texas Administrative Code, which is on the Internet website of the Office of the Secretary of State, Texas Register Division at: www.sos.state.tx.us/tac/index.shtml.
- (b) Any actual or prospective bidder, offeror, or contractor who believes they are aggrieved in connection with the solicitation, evaluation, or award of a contract may formally protest to the Agency. Such protests must be in writing and received in the office of the Chief Financial Officer within ten working days after such aggrieved person knows, or should have known, of the occurrence of the action which is protested. Formal protests must conform to the requirements set forth in subsection (c) of this section. Copies of the protest must be mailed or delivered by the protesting party to all vendors who have submitted bids or proposals for the contract involved.
- (c) A formal protest must be sworn and contain:
- (1) a specific identification of the statutory provision(s) that the action complained of is alleged to have violated;
 - (2) a specific description of each act alleged to have violated the statutory provision(s) identified in paragraph (1) of this subsection;
 - (3) a precise statement of the relevant facts;
 - (4) an identification of the issue or issues to be resolved;
 - (5) argument and authorities in support of the protest; and
 - (6) a statement that copies of the protest have been mailed or delivered to other identifiable interested parties.
- (d) The Chief Financial Officer shall have the authority, prior to appeal to the Executive Director or the Executive Director's designee, to settle and resolve the dispute concerning the solicitation or award of a contract. The Chief Financial Officer may solicit written responses to the protest from other interested parties.
- (e) If the protest is not resolved by mutual agreement, the Chief Financial Officer will issue a written determination on the protest.
- (1) If the Chief Financial Officer determines that no violation of rules or statutes has occurred, the Chief Financial Officer shall so inform the protesting party and interested parties by letter which sets forth the reasons for the determination.
 - (2) If the Chief Financial Officer determines that a violation of the rules or statutes has occurred in a case where a contract has not been awarded, the Chief Financial Officer shall so inform the protesting party and other interested parties by letter which sets forth the reasons for the determination and any appropriate remedial action.
 - (3) If the Chief Financial Officer determines that a violation of the rules or statutes has occurred in a case where a contract has been awarded, the Chief Financial Officer shall so inform the protesting party and other interested parties by letter which sets forth the reasons for the determination and any appropriate remedial action. Such remedial action may include, but is not limited to, declaring the purchase void, reversing the award, and re-advertising the purchase using revised specifications.

- (f) The Chief Financial Officer's determination on a protest may be appealed by an interested party to the Executive Director or the Executive Director's designee. An appeal of the Chief Financial Officer's determination must be in writing and must be received in the office of the Executive Director or the Executive Director's designee no later than ten working days after the date of the Chief Financial Officer's determination. The appeal shall be limited to review of the Chief Financial Officer's determination. Copies of the appeal must be mailed or delivered by the appealing party to other interested parties and must contain an affidavit that such copies have been provided.
- (g) The general counsel shall review the protest, the Chief Financial Officer's determination, and the appeal and prepare a written opinion with recommendation to the Executive Director or the Executive Director's designee. The Executive Director or the Executive Director's designee may, in their discretion, refer the matter to the Commission at a regularly scheduled open meeting or issue a final written determination.
- (h) When a protest has been appealed to the Executive Director or the Executive Director's designee under subsection (f) of this section and has been referred to the relevant Commission or Board by the Executive Director or the Executive Director's designee under subsection (g) of this section, the following requirements shall apply:
- (1) Copies of the appeal, responses of interested parties, if any, and the general counsel's recommendation shall be mailed to the Commission members and interested parties. Copies of the general counsel's recommendation and responses of interested parties shall be mailed to the appealing party.
 - (2) All interested parties who wish to make an oral presentation at the Commission's open meeting are requested to notify the office of general counsel at least two working days in advance of the open meeting.
 - (3) The Commission may consider oral presentations and written documents presented by staff, the appealing party, and interested parties. The chair of the Commission shall set the order and amount of time allowed for presentations.
 - (4) The Commission's determination of the appeal shall be by duly adopted resolution reflected in the minutes of the open meeting and shall be final.
- (i) Unless good cause for delay is shown or the Executive Director or the Executive Director's designee determines that a protest or appeal raises issues significant to procurement practices or procedures, a protest or appeal that is not filed timely will not be considered.
- (j) In the event of a timely protest or appeal under this section, a protestor or appellant may request in writing that the Agency not proceed further with the solicitation or with the award of the contract. In support of the request, the protestor or appellant is required to show why a stay is necessary and that harm to the Agency will not result from the stay. If the Executive Director determines that it is in the interest of the Agency not to proceed with the contract, the Executive Director may make such a determination in writing and partially or fully suspend contract activity.
- (k) A decision issued either by the Commission in open meeting, or in writing by the Executive Director or the Executive Director's designee, shall constitute the final administrative action of the Agency.

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The agency is required to report monthly expenditures to WorkQuest by the 15th of each month. The report data is obtained via Business Objects in CAPPs and then reported through the Texas SmartBuy Website (<https://www.txsmartbuy.com/>).

10.1 Texas Purchasing from People with Disabilities (TPPD) Monthly Report

10.1.1 Run WorkQuest Expenditure Report in CAPPs (lists all POs purchased for the period)

1. Open the Business Objects portal in CAPPs
2. Click on CAPPs Financials Reports>Purchasing>TIBH Procurement Report
3. Enter the Business Unit (32900)
4. Enter the to and from date for the previous month
5. Export as an Excel Spreadsheet
6. Save as “Back Up Data xx.xx.xx” (saved date) to: [SharePoint State Use Reporting](#)

10.1.2 Run WorkQuest Class Code Report (lists all possible purchases with WorkQuest related Class and Item codes. This report was created by TREC)

1. Open the Business Objects portal in CAPPs
2. Click on State Use Report: 15756501 (Created by TREC)
3. Click on Design, then click Edit Data Provider
4. From the Query Filter Box, enter the to and from dates for the previous month
5. Click Run Query and Export as an Excel Spreadsheet
6. Save as “Exception Report xx.xx.xx” (saved date) to: [SharePoint State Use Reporting](#)

10.1.3 Expenditure Tracking Log

1. Using the information obtained from the CAPPs Report run in 10.1.1, record the Goods and Services purchased from WorkQuest for the specific reporting period. In certain instances, the contract monitor must provide the specific quantities used for the reporting period, i.e., Document Destruction and Temporary Staff Services.
2. Using the information obtained from the report run in CAPPs Report in 10.1.1, record the Goods and Services purchased from WorkQuest for the specific reporting period. In certain instances, the contract monitor must provide the specific quantities used for the reporting period, i.e., Document Destruction and Temporary Staff Services.

The Expenditure log should be saved to: [SharePoint State Use Reporting](#) at the beginning of the fiscal year. Data is added each month throughout the fiscal year.

10.1.4 Reporting Expenditures to the TPPD site.

1. Log into the Texas SmartBuy Website (<https://www.txsmartbuy.com/>)
2. From the My Account page click on “TPPD” under Overview.
3. Enter the total for Goods and the total Services.
4. If there are no exceptions for the month, click the box for “No Exceptions” and then click “Update”.
5. Determine if there are any Exceptions. If not go to step g.

Note: If WorkQuest can provide the requested goods or services and the agency purchased from different vendor (with the exception of TCI), the agency must report the purchase as an exception.

6. If Exceptions, report by clicking on Add Report and enter required information.
7. Save a copy of the page indicating that the reporting has been completed in the Posting Confirmation folder for State Use Reporting file in SharePoint

10.2 Agency Website Postings

For contracts not posted to the Legislative Budget Board (LBB) contracts database, the agency must post the following information about each private vendor contract on its website:

1. The contract, until it expires or is completed.
2. The statutory or other authority under which a contract not competitively bid is entered into, including any exceptions to competitive bidding procedures.
3. The request for proposals (RFP) related to a competitively bid contract, until the contract expires or is completed.

The agency must redact the following information from the posted contract:

1. Any information that is confidential under the law.
2. Information the Office of the Attorney General (OAG) has determined can be exempted from public disclosure under Chapter 552 of the Texas Government Code (Texas Public Information Act).
3. The social security number of any individual.

For contracts valued at less than \$15,000 for the purchase of goods or services from a private vendor, the agency may post the required information monthly, rather than immediately upon the contract's award.

Exceptions:

The following types of contracts are expressly exempt from the agency website posting requirement:

1. Contracts posted to the LBB contracts database.
2. Memoranda of understanding.
3. Interagency contracts and interlocal agreements.
4. Contracts with no cost.
5. Contracts from institutions of higher education valued at less than \$15,000 and paid with non-appropriated funds.

This ensures transparency while protecting sensitive information as required by law.

10.3 Vendor Performance Reports

The agency must report vendor performance using the Vendor Performance Tracking System ([VPPTS](#)), which is maintained by the State Procurement Division (SPD). This system allows agencies to share information about vendors and improves oversight of state contracts.

The agency is required to report vendor performance for any purchase of goods or services over \$25,000. They must also report at key milestones during the contract if its value exceeds \$5 million. Additionally, agencies must report at least once a year during the term of the contract.

10.4 Historically Underutilized Business Program Reports

The agency is required to maintain and compile monthly reports on the agency's use of Historically Underutilized Businesses (HUBs). In addition, when applicable, prime contractors must report to the agency the identity and payment amounts for each HUB and non-HUB subcontractor they hired to provide supplies, materials, or equipment. Prime contractors must also report any progress payments made to subcontractors and suppliers during the month.

10.5 LBB Reporting Contracts

Contracts that exceed certain value thresholds must be reported to the Legislative Budget Board (LBB). This includes submitting documents like solicitation and contract details, as well as attestation letters.

These reporting requirements are fulfilled through the [LBB Contracts Database](#), which serves as the central location for all contract information that state agencies must report to the LBB, as required by law or the General Appropriations Act. The LBB Contract Reporting Guide provides detailed instructions on which contracts must be reported.

10.6 Electronic State Business Daily Notice of Award

After a contract is awarded, the agency must post a notification of award to the Electronic State Business Daily ([ESBD](#)) within two business days if the contract is expected to exceed \$25,000. The notification must include the following information:

1. Requisition Number (as listed on the ESBD solicitation posting)
2. Class/Item Code
3. Agency Name
4. Response Title (as listed on the ESBD solicitation posting)
5. Dollar Amount Awarded
6. Response Status (e.g., full award, partial award, multiple award, canceled)
7. HUB Certification Status
8. Vendor Name
9. Vendor Address

If an award is not made, the agency must post a notice of non-award to the ESBD within two business days. Depending on the procurement, the TREC may also notify each respondent in writing of the non-selection. The Purchaser must keep proof of the ESBD posting in the procurement file.