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Change in the Air
With the arrival of autumn come some important changes in purchasing thresholds, forms, and reporting that will affect every purchaser on campus. The article, Procurement Updates, below will help you understand what these changes mean to you and your department. Also, make sure you mark your calendars for our UT Market Vendor Show this month where you can peruse the latest offerings from our e-commerce vendors, and maybe run into a few buyers from the Purchasing Office. If you haven’t already, sign yourself and a colleague up for one or all of the Purchasing training courses to keep up to speed on the latest procedures.

Again, we are introducing you to another buyer in the Purchasing Office, providing updates on group purchasing contracts, and expounding on the process of approving purchases of used equipment. As always, use the Send Feedback button at the bottom of this issue to email your thoughts or recommendations to us on how we can improve!

Know Your Buyer
Our next buyer to grace the Purchasing Quarterly is Ben Kalenak. Some will know him as one of their buyers for the Purchasing DEPT team and others possibly through the basic and advanced purchasing courses offered by the Purchasing Office.

Ben is originally from West Texas. Before making his way to Austin and joining UT Austin, Ben worked as an Assistant Manager/Projectionist for Cinemark through college. During his senior year, he and his wife married. After graduating from Texas Tech University (Wreck'em Tech!), with a degree in Anthropology he moved to Austin to pursue a career in Archaeology. He worked as a contract Archaeologist until having his little girl when he decided to find work closer to home.

Ben started his career with UT Austin as a departmental buyer for CBO (ITS) in 2012 and has been a buyer II with the Purchasing Office DEPT team now for a couple of years (has it been that long?!?!?). He and his wife just had their second child, a baby boy, this past summer and are now trying to figure out how to get sleep!! Hahaha. Ben has had a career filled with customer service and strives to provide you and UT Austin with the best procurement experience and service possible.

UT Market Vendor Show
On Thursday, Oct. 29, Procurement and Payment Services will be sponsoring the UT Market Vendor Show in the Student Activity Center (SAC) ballroom, 2.410, from 10 a.m. to 2 p.m. This event will be to showcase vendors who participate in the university’s e-commerce shopping portal, UT Market.

The event allows employees to familiarize themselves with the suppliers and their offerings. Take this opportunity to meet and collect contact information from attending sales representatives as well as other department buyers and shoppers within The University of Texas at Austin community.
**Procurement Updates**

There have been a variety of changes resulting from the passage of Senate Bill 20 by the Texas Legislature, as well as University of Texas System initiatives in response to Board of Regents expectations.

**Exclusive Acquisition Justification** – On September 1, 2015 The University of Texas at Austin adopted a new process that replaces the former Sole Source and Emergency Purchase justification processes. This was the result of a University of Texas System effort to adopt a set of best practices for these types of purchases across all UT institutions. The new procedure is documented in the Handbook of Business Procedures (HBP), 7.5.3 Exclusive Acquisition.

**Transparency Reporting** – Senate Bill 20 expanded the reporting of “no-bid” contracts to include all purchase orders and contracts regardless of value. The University of Texas at Austin began reporting in early September 2015. The Purchasing Office Web page hosts the Purchase and Contract Transparency Report.

**Legislative Budget Reporting** – The Legislative Budget Board has developed a new database for reporting certain types of purchases. This includes a new, web-based entry form which requires more information on each reportable transaction. Purchasing, Business Contracts and Project Management and Construction Services all create purchase orders or contracts that have reporting requirements and are each responsible for maintaining data entry for their area of responsibility.
Procurement Processing Thresholds – The University of Texas System recommended that all campuses implement higher thresholds. The University of Texas Austin plans to implement those changes effective November 1, 2015. Programming changes have been made to route requisitions and purchase orders relative to the new thresholds. The relevant sections of the Handbook of Business Procedures will be updated. The primary changes include:

- Small dollar limit is raised from $5,000 to $15,000 allowing departments to issue purchase orders up to the new limit without approval from Purchasing.
- Informal limit is raised from $25,000 to $50,000 allowing for informal quotes to be obtained by departments and submitted to Purchasing for approval and issuance of a purchase order.
- Formal limit now applies to purchases greater than $50,000 and requires a formal solicitation (Invitation To Bid or Request For Proposal).

Restrictions on State Contract and Group Purchasing Organization (GPO) Purchases:
- State contract purchases from Department of Information Resources (DIR), Texas Multiple Award Schedule (TxMAS), or other contracts now require a minimum of three quotes/proposals when there are multiple suppliers with contracts in a given commodity or service category (e.g. Web design, data migration, etc.).
- GPO purchases from other than the Alliance, E&I Cooperative, and Premier, Inc. will also require a minimum of three quotes/proposals when there are multiple contracts in a category.
- GPO purchases are currently exempt from the UT System Board of Regents approval under Regents’ Rule 10501; however, this guideline will change to only provide exemption for UT Austin up to $3 million effective November 1, 2015.
- All GPO purchases that exceed $1 million must be reported to the UT System Board of Regents on a quarterly basis.

Forms and Resources
- Centralized Master Bidders List (CMBL) & Historically Underutilized Business (HUB)
- UT System Supply Chain Alliance
- Preferred Supplier Contact List
- Exclusive Acquisition Justifications
  - Noncompetitive Purchases over $5,000 (Emergency and Professional Services)
  - Original Equipment Manufacturer (OEM)
- Software Maintenance/License
- Software License Intake Form
- Request For Proposal (RFP) Intake Form
- Tax Exempt Information

HBP Decoded
7.7.1 - Purchase of Used Equipment
Not all budgets are created equal, and you may find a situation in which only used, refurbished, or demonstration (demo) equipment is appropriate for your department. Even if the equipment was originally only available from one source, the purchase may not fall under the exclusive acquisition justification. Once items appear on the used market, multiple sellers may be able to provide the equipment. Used equipment follows the same dollar limits as new equipment but must be accompanied by a signed vendor statement guaranteeing the quality of the equipment. The department must also provide a letter containing (1) justification for buying used equipment versus new, (2) a statement that a department representative has personally examined the equipment, and (3) a statement that the cost of the equipment warrants the risk of buying used.