



Texas Department of Motor Vehicles
HELPING TEXANS GO. HELPING TEXAS GROW.

Procurement & Contract Procedures Guide

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**Finance &
Operations
Purchasing Section**

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Chapter 1

Introduction to TxDMV Procurement

TxDMV Operational Plan: Finance and Operations

The Finance and Operations Division (FAO) performs administrative processing and oversight of the department's procurements. FAO's responsibilities encompass the development of policies and procedures as part of the department's Operational Plan.

FAO will develop and update purchasing and contract policies and procedures to ensure they are:

- Effective and efficient
- Consistent with best practices
- Continuing to improve and realign with current business processes
- Promoting an organizational culture of innovation and creativity
- Providing quality service delivery
- Encouraging accountability
- Promoting cross-organizational teamwork
- Fostering an environment of learning
- Preventing and identifying fraudulent activity
- Complying with state and federal legislation.

FAO will periodically update the Procurement & Contract Procedures Guide to align and comply with the most current state statutory requirements and departmental goals.

FAO Purchasing Roles and Responsibilities

FAO Purchasing is responsible for the procurement of goods and services for the department and provides oversight of procurement activities, coordination of the Historically Underutilized Business (HUB) Program, and contract administration.

Procurements must comply with the Texas Government Code (TGC), the Texas Administrative Code (TAC), the Comptroller of Public Accounts (CPA) [State of Texas Procurement and Contract Management Guide](#), and the TxDMV Procurement & Contract Procedures Guide.

Purchasing's roles include the following:

- Purchasing Director
- Contract Administrator Manager
- Contract Specialists
- Purchasers
- Program Specialist

Purchasing Director

The Purchasing Director will:

- Oversee all procurements to ensure compliance with procurement laws and regulations
- Certify all procurements according to the guidelines of [Texas Government Code 2261](#)
- Assign requisitions to Purchasing staff according to CPA guidelines and department policy
- Serve as the department's HUB Coordinator, ensuring HUB reporting is complete and the department makes a good faith effort to comply with the state HUB requirements
- Serve as the department's Payment Card (PCard) Administrator, ensuring the department's State of Texas payment card process is administered in compliance with the law.

Contract Specialists and Purchasers

Contract Specialists and Purchasers will:

- Process procurements to meet the needs of the end user by procuring goods and services in compliance with applicable laws and department policy
- Proactive in communicating and responding to end user requests to increase efficiency and to reduce expenditures to achieve best value in all procurement activities

- Process procurements consistent with their training and certification status
- Serve as the Contract Administrator during the contract management phase
- Check for updates and additional responsibilities in the State of Texas Procurement and Contract Management Guide

Program Specialist

The Program Specialist will:

- Serve as the Assistant HUB Coordinator and perform the functions as referenced in Chapter 7 of this guide
- Be responsible for determining if subcontracting opportunities are probable for procurements
- Monitor HUB Subcontracting Plan (HSP) for compliance
- Attend pre-proposal conferences to discuss the HSP with vendors
- Attend other HUB related outreach activities
- Maintain and submit HUB reports as required
- Check for updates and additional responsibilities in the State of Texas Procurement and Contract Management Guide

CPA Oversight

The Texas Comptroller of Public Accounts (CPA) Statewide Procurement Division (SPD) is the central authority for state agency procurement guidance, education, and statewide contract development services. The SPD director serves as the Chief Procurement Officer (CPO) for the State of Texas.

The CPO has authority over state agency procurement and is authorized to do the following:

- Provide leadership on procurement issues
- Analyze state purchasing data to leverage state purchasing power
- Provide functional support to agencies
- Provide training on state purchasing and contract management

The CPO may also review solicitations for major contracts or information

technology projects monitored by the Quality Assurance Team (QAT), review solicitations for major contracts reviewed by the Contract Advisory Team (CAT), and delegate certain purchasing authority to state agencies.

TxDMV Compliance

The department is required to comply with any requests for information from the CPO that are necessary to conduct an analysis of state purchasing data to leverage state purchasing power.

SPD publishes the State of Texas Procurement and Contract Management Guide to aid public procurement professionals in the execution of their duties and to provide step-by-step guidance and a framework for the continued development of public procurement processes and best practices.

The procedures of this guide will follow the State of Texas Procurement and Contract Management Guide and comply with its guidance, subject to any exceptions that are approved by TxDMV's Office of General Counsel (OGC), such as exceptions found in Texas statutes and in federal laws regarding TxDMV's operations.

Training and Certification

CPA Training

SPD administers training, continuing education, and a certification program for Texas public procurement professionals.

Purchasing staff will attend SPD training as required and will obtain and maintain, at minimum, a Certified Texas Contract Developer (CTCD) certification. Additional certifications may be required depending on job requirements and procurement roles and responsibilities.

Department Training

FAO Purchasing Section will provide periodic training to department staff who administer and monitor contracts to ensure compliance and quality assurance.

End users and other stakeholders will be required to attend internal annual

training. End user training will include participating on evaluation teams, contract development, contract monitoring, vendor performance, and contract close-out.

Certifications

Purchasing staff will function as Contract Administrators. They must receive formal training and are required to be certified by the State of Texas.

Purchasing staff will be required to obtain a CTCD and to perform Contract Administrator functions, a Certified Texas Contract Manager (CTCM) certification within 1 year after employment.

End users managing contracts with a combined value exceeding \$5 million will be required to obtain the CTCM certification.

Ethics

Department employees, board members and vendors participating in the procurement and contracting processes are subject to a high standard of ethics. Department employees must adhere to the TxDMV ethics policies as set forth in the [TxDMV Human Resources Manual](#) and the TxDMV Procurement & Contract Procedures Guide. Department employees are also responsible for ensuring the proper disposition of public funds. Acts that are improper or give the appearance of impropriety during the contract process must be avoided by all.

Department staff who work on procurements must adhere to the highest level of professionalism in performing their official duties. Employees found violating ethics and standards listed in the TxDMV Human Resources Manual maybe subject to disciplinary action up to and including termination of employment or other employment-related sanction(s), in addition to any applicable civil or criminal penalty if the violation also constitutes a violation of a statute or rule.

The Legislature has established standards of conduct for state officers, board members and employees. A state officer or employee must not:

- Accept or solicit any gift, favor, or service that might reasonably tend to influence the officer or employee in the discharge of official duties, or that the officer or employee knows or should know is being offered with the intent to influence the officer or employee's official conduct.
- Accept other employment or engage in a business or professional activity that the officer or employee might reasonably expect would require or induce the officer or employee to disclose confidential information acquired because of the official position.
- Accept other employment or compensation that could reasonably be expected to impair the officer or employee's independence of judgment in the performance of the officer or employee's official duties.
- Make personal investments that could reasonably be expected to create a substantial conflict between the officer or employee's private interest and the public interest.
- Intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised the officer or employee's official powers or performed the officer or employee's official duties in favor of another.

Conflict of Interests and Disclosures

Department employees, board members, and vendors participating in the procurement or contract management process must disclose any potential conflict of interest specified by state law or department policy related to a private vendor who has a contract with the department or who responds to a department solicitation.

Ethics Compliance Forms

The following forms will be completed where applicable by department staff, board members, or the selected vendor.

Evaluation Committee Non-Disclosure and Conflict of Interest Statement

Department staff involved in developing a solicitation or in the evaluation of solicitation responses is required to sign the Evaluation Committee Non-Disclosure and Conflict of Interest Statement Form. Department staff must disclose any potential conflict of interest that is known or when one occurs once the solicitation is posted and responses under review. While in the evaluation committee, department staff must not communicate or share any information of, about or in the solicitation responses under review.

Disclosure of Potential Conflict of Interest and Financial Interest

For contracts valued at more than \$25,000, a department employee or official who is involved in a procurement or in a contract with a private vendor must disclose any potential conflict of interest or any financial interest prohibited by Government Code Section 2261.252. To document compliance, the department employee or official must sign a Conflict of Interest Disclosure Statement and a Disclosure of Potential Financial Interest Statement, utilizing the templates on the shared drive.

SAO State Agency Uniform Nepotism Disclosure Form

The department may not enter into a contract valued at \$1 million or more if a covered employee, board member, or any of their family members, within a degree described by Texas law, has a financial interest. As a department internal policy, the department may utilize an agency specific conflict of interest statement for compliance with conflict of interest disclosure requirements specified by law or agency policy. For procurements with an expected value of \$1 million or more, the SAO State Agency Uniform Nepotism Disclosure Form must also be utilized. Any actual

or potential conflicts of interest must be reported promptly to the Office of General Counsel.

The SAO State Agency Uniform Nepotism Disclosure Form must be signed by any employee who participates in the development of a specification, solicitation document(s), evaluation, or negotiation.

Certificate of Interested Parties (Form 1295)

For contracts exceeding \$1 million or contracts that require action by the government body, a Certificate of Interested Parties Form ([Texas Ethics Commission Form 1295](#)) must be submitted.

A copy of Form 1295 must be received from the vendor before the contract is fully executed. The vendor will have 30 days from receipt of the disclosure form to submit it to the Texas Ethics Commission.

HUB Program

FAO Purchasing will administer the department's Historically Underutilized Business (HUB) Program. The HUB program is designed to ensure the department makes a good faith effort to eliminate barriers for equal economic opportunities in state procurement for HUBs.

The FAO HUB Coordinator and Assistant HUB Coordinator will oversee each department procurement over \$10,000 to ensure compliance with CPA requirements for HUB participation and HUB reporting.

FAO will determine if there are probable HUB subcontracting opportunities for all procurements with a contract value of \$100,000 or more.

HUB participation requirements, if any, will be listed in the published solicitation and information will be given to respondents to complete a HUB Subcontracting Plan (HSP). The HUB Coordinator or Assistant

HUB Coordinator will review each procurement with an HSP requirement and will disqualify respondents who have a missing or incomplete HSP.

Reports

FAO Purchasing will perform various reports to meet requirements for departmental oversight. Reports are to be submitted to the requesting agency by the required deadline.

Procurement Process Workflow

For purposes of remaining consistent with following recommended practices listed in the CPA State of Texas Procurement and Contract Management Guide, the department will follow the procurement and the contract management workflow cycle for TxDMV's Procurement and Contract Procedures Guide as follows:

- **Planning** – Identify contracting objectives from the division and contracting strategy
- **Procurement** – Fairly and objectively select the most qualified contractors
- **Rate/Price Establishment** – Establish processes that are cost-effective and aligned with the cost of providing the goods and services
- **Contract Formation** – Ensure the contract contains provisions that hold the contractor accountable for producing desired results
- **Contract Oversight** – Monitor and enforce the terms of the contract

Chapter 2

Procurement Planning

Procurement planning is a crucial step to the entire procurement process and can impact success outcomes from the solicitation to the contract management phases.

During procurement planning, purchasing staff and the end user will discuss the requisition submitted by the requesting division and will identify critical procurement criteria using a Need Assessment, Risk Assessment, and by having a Planning Kick-Off meeting where required.

Creating Requisitions

All department procurements require an approved requisition submitted through CAPPS by the end user's division.

Approvals

The department has established dollar thresholds designating management level approval for requisitions:

- No more than \$500.00 – Lead Worker/Team Lead
- No more than \$4,999.99 – Section Manager
- No more than \$99,999.99 – Division Director/Deputy Division Director
- \$100,000 or more - Division Director, Chief Financial Officer or Assistant Chief Financial Officer and Executive Director or Deputy Executive Director (unless delegated)

Processing Requisitions

Once the approved requisition has been submitted, the Purchasing Director and/or team lead will assign the requisitions based on the Procurement Assignment Guidelines in the following table:

Title	Responsibilities
Purchaser I	<ul style="list-style-type: none"> a) Maintain Purchasing Files b) Maintain Purchasing Email Account c) Provide Administrative Support to Purchasing Staff d) Reporting and Data analysis – LBB, TxDMV website, Class/Item e) Purchase of goods/services under \$10K f) Other procurements as assigned
Purchaser II/III	<ul style="list-style-type: none"> a) Subscriptions (Non-IT) b) Texas SmartBuy procurements – (Set-asides, Term Contracts, and TxMAS) c) Printing Services d) Set-aside services – Janitorial etc. e) Invitation for Bids f) Hotel agreements g) Memberships h) Registrations – conferences, seminars i) Trademarks j) PO Boxes k) Other procurements as assigned
Contract Specialist IV	<ul style="list-style-type: none"> a) Information Technology Software/Hardware up to \$5 million b) Statement of Works, Request for Offers less than \$5 million, Request for Proposals up to \$5 million c) ITSAC- Staff Augmentation d) Facilities/Construction procurements e) Invitation for Bids, Request for Proposals, Request for Qualifications (professional services) f) Set-aside services – Janitorial etc. g) Peak Performers- Contractors h) Subscriptions – Information Technology over \$25,000 i) Other procurements as assigned
Contract Specialist V	<ul style="list-style-type: none"> a) Complex Procurements – Request for Offers, Request for Proposals, Request for Qualifications, Statement of Work b) Grant procurements c) Lease procurements d) Reporting and Data analysis e) Assisting staff with other procurements i) Other procurements as assigned

Title	Responsibilities
Program Specialist III	a) Historically Underutilized Business (HUB) Program Reporting and Data analysis b) Determine subcontracting opportunities in procurements c) Review HUB Subcontracting Plans for compliance d) Monitor and track Subcontracting expenditures e) HUB Subcontracting Plan overview at pre-proposal conference f) Attend HUB outreach events related to department procurements g) Maintain and monitor the Mentor-Protégé partnerships h) Texas SmartBuy procurements – (Set-asides, Term Contracts, and TxMAS) f) Reporting and Data Analysis (TPPD, etc.)

The following outlines procedures Purchasing staff will follow when processing approved requisitions submitted by end user divisions.

Purchasing staff will process the approved requisition submitted by end user divisions in the following order:

- Create the electronic file in a designated folder on the division shared drive.
- If the requisition is for supplies, refer to the guidelines for High Volume/Low-Cost supply requests in this guide.
- Ensure a copy of the Needs Assessment (all temporary workers and anything over \$200k) and Risk Assessment (over \$200k) are included with the requisition.
 - Schedule the Procurement Kick-Off meeting with the end user and other project stakeholders for all competitive procurements.
- OGC will have the option to attend the Procurement Kick-Off meeting.
- Prepare the Non-Disclosure and Conflict of Interest forms for the Planning Kick-Off meeting.
- Prepare an agenda for the Kick-Off meeting.

Process for Submittal of Legal Matters to OGC

1. All **new requests** related to procurements and/or contracts that will not involve the Purchasing Section should be submitted to the OGC Contracting mailbox at ogc_contracting@txdmv.gov. The OGC Contracting mailbox will respond with the name of the attorney assigned to the matter. If the new request relates to an existing or previous matter, please attach the previous email to the new request, for reference.
2. Those matters that will involve the Purchasing Section must be submitted to the Purchasing mailbox at purchasing@txdmv.gov, which will submit and coordinate legal review requests with OGC.
3. Please create a new email with the title of the solicitation, contract, document or questions needing reviewed in the subject line. The email subject line should start with either "**New Matter**" or "**New Question**". For example, a request for reviewing an updated contract template should look like the following: New Matter: TxDMV Motor Vehicle Data Contract Template Update. Subsequent emails related to matters already submitted to the OGC Contracting mailbox should be directed to the assigned attorney under the same subject line without "New Matter" or "New Question".
4. In submitting a request to the OGC Contracting mailbox, please be sure to include the following:
 - a. The name of the other party to the contract, along with any contract or solicitation numbers, if applicable.
 - b. If there is a known **DEADLINE** (e.g., contract expiration date) also provide that date. If an expedited review is requested, please provide the reason why an expedited review is needed, so OGC can prioritize our work.
 - c. The name of the designated representative or subject-matter expert for the program area, if different from the individual submitting the request.
 - d. Any relevant documents or information the attorney will need to complete the review or a link to a folder the attorney has access to the contains all relevant documents, if any. If submitting documents from a prospective vendor for review, please request

and submit Microsoft Word documents, if able.

- e. **PURCHASING SECTION ONLY:** In addition to the preceding, please include the OGC Review Tracking Workbook's ranking, priority level, and risk level.

Risk-Based Process – Purchases/Contracts Requiring OGC Review

- 1. Contracts that Require Board Approval – Here are the main examples of contracts that currently require board approval:

- a. **Board Resolution dated 5/2/19 requires Board approval of the following prior to execution or award, unless an exception applies:**
 - i. the contract or contract renewal exceeds \$200,000.
 - ii. a change order, individually or in combination with other change orders (other than the exercise of available renewal options), increases the original contract by twenty-five percent or more, as long as the dollar amount of the change order is \$50,000 or more.
 - iii. any change order, individually or in combination with any other change orders (other than the exercise of available renewal options), increases the original contract by \$100,000 or more.
 - iv. at the discretion of the Executive Director (or designee), the department may request the Board to consider any contract of any amount.
- b. **Government Code Sec. 2155.088. MATERIAL CHANGES TO CONTRACTS.** (b) After a contract for goods or services is awarded under this chapter, the governing body of a state agency, if applicable, must hold a meeting to consider a material change to the contract and why that change is necessary. For purposes of this section, a material change includes:
 - i. extending the length of or postponing the completion of a contract for six months or more; or

- ii. increasing the total consideration to be paid under a contract by at least 10 percent, including by substituting certain goods, materials, products, or services.

c. Government Code Sec. 2261.254. CONTRACTS WITH VALUE EXCEEDING \$1 MILLION.

- i. Except as provided by Subsection (d), a state agency may enter into a contract for the purchase of goods or services that has a value exceeding \$1 million only if:

1. the governing body of the state agency approves the contract and the approved contract is signed by the presiding officer of the governing body; or
2. for a state agency that is not governed by a multimember governing body, the officer who governs the agency approves and signs the contract.
3. The governing body or governing official of a state agency, as appropriate, may delegate to the executive director or a deputy executive director of the agency the approval and signature authority under Subsection (c).
4. Note: the \$1 million trigger in Section 2261.254 includes proposed amendments, extensions, and renewals, according to 34 TAC §§20.25(a)(13) and 20.511(c) and (d).

2. Contracts that Require Signature by Both Parties (TxDMV and an external party)
3. Procurements with a Risk Level of "High" on our attached Risk Assessment Worksheet (PUR-018)
4. Procurements or Contracts Involving Intellectual Property—If Purchasing has questions about this category, they can contact OGC. The following need to be reviewed by OGC:
 - a. procurement for the development or modification of a software application or other computer code. The contract should be written so TxDMV does not become a captive buyer to a specific vendor; and

- b. a procurement for the following if our template terms and conditions for RFP's and RFO's are not used:
 - i. creation of artwork, which can be copyrighted;
 - ii. creation of a logo or slogan, which can be trademarked; and
 - iii. invention of something, such as a new processor machine, which can be patented.
- 5. Grant Agreements—this category includes a grant agreement under which TxDMV is awarded a grant, as well as a grant agreement in which TxDMV grants the money to a sub grantee or otherwise works with another entity to comply with the grant requirements. If there are multiple sub grants and a template is used, OGC only needs to review the template.
- 6. Procurements or Contracts to Implement New Legislation—the requesting Division must notify Purchasing that the procurement or contract implements new legislation. This category applies to the implementation of a program or project, rather than the routine purchase of supplies.
- 7. All Procurement and Contract Templates, Which Should Be Reviewed After Every Legislative Session if Procurement/Contract Laws Were Amended or Added.
- 8. Purchases/Contracts for Which the Vendor Takes Exception to Any Legal Terms or Conditions in TxDMV's Procurement/Contract Template.
- 9. Any Other Procurement or Contract that the Purchasing Director Requests OGC to Review Based on Potential Risk—this category includes a procurement or contract that involves complex issues or complex performance standards relative to the department's other procurements or contracts.

Planning Assessments

Need Assessment

The end user will complete a Need Assessment Form to provide details regarding the requisition for purchases over \$200,000 and purchases of any amount that request temporary staff augmentation. The Need Assessment Form must be submitted with the requisition and approved by the Executive

Director or designee. A Need Assessment form can be obtained from the intranet.

Risk Assessment

All procurements with a value of \$200,000 or greater require a completed "Risk Assessment Worksheet".

Analysis is to be completed, at a minimum, by the requesting Division Director (or designee) and the assigned Contract Representative, in coordination with other appropriate personnel. Purchasing staff will work with the end user to complete the Risk Assessment Form to identify any issues that may adversely affect the objectives of the procurement.

The Risk Assessment has weighted factors that consider the following for the procurement:

- Maximum value, including renewals
- Term
- Impact of vendor failure
- Vendor experience
- Business impact to end users
- Technology risks, if applicable, including:
 - Level of customization
 - Impact the procurement will have on the existing infrastructure
 - Level of interface connectivity
 - If Quality Assurance Testing is needed
 - If there are knowledge transfer requirements

Once the Risk Assessment is complete, the Purchasing staff will be able to assist the end user with identifying the procurement method and the necessary stakeholders needed for the procurement. Procurements considered to be high risk will be subject to enhanced contract and performance monitoring, which is detailed in the contract management phase of the procurement process.

Planning Kick-Off Meeting

Purchasing staff will facilitate a procurement planning kick-off meeting with the end user and identified stakeholders to discuss necessary information to better assess the needs of the purchase and to help determine the most efficient and or required procurement method to get the best value for the State. Identified stakeholders will attend the kick-off meeting in addition to other key department staff depending on the procurement type. The kick-off meeting will be scheduled subsequently upon receipt of an approved requisition in CAPPS.

The following outlines procedures purchasing staff will follow when scheduling and facilitating the Planning Kick-Off Meeting with the end user and identified stakeholders.

The assigned purchasing staff will do the following when scheduling and facilitating the Planning Kick-Off meeting:

- Schedule the Planning Kick-Off meeting with the end user and other project stakeholders.
- Prepare the Non-Disclosure and Conflict of Interest forms for the Planning Kick-Off meeting.
- Prepare a meeting agenda.
- Assign the solicitation number (based on the requisition number)
- Review all project planning documents (non-disclosures, need assessments, risk assessments, and project requirement forms)
- Discuss the following:
 - Selected evaluation team
 - Procurement method determination
 - Procurement timelines
 - Specify time on the agenda to allow the HUB Coordinator to discuss the HUB requirement, if applicable

File Management

Purchasing staff will keep copies of all planning documents in the procurement file on the FAO Purchasing division shared drive, the procurement hardcopy file, and will upload necessary files to the Centralized Accounting and Payroll/Personnel System (CAPPS) in accordance with mandated state requirements and the TxDMV records retention schedule for procurement records.

Chapter 3

Procurement Method Determination

Overview

FAO Purchasing staff are responsible for determining which procurement method will best achieve the requirements and outcomes identified from discussion and planning with the end user. The department will use the designated procurement methods of the Statewide Procurement Division (SPD) and the Department of Information Resources (DIR), unless the procurement is subject to an exclusion or authorized exemption by statute.

Best Value

Purchasing staff will use the information provided by the end user and stakeholders during the Planning phase of the procurement to determine the best procurement method mandated by Texas laws and rules that will achieve the identified objectives and will offer the best value to the State.

Purchasing staff are responsible for being knowledgeable on the guidelines listed in the State of Texas Procurement and Contract Management Guide.

SPD and DIR

SPD and DIR are charged with the responsibility of establishing and overseeing statewide contracts for use by the state agencies.

The Purchasing staff will seek SPD or DIR exclusion or exemption if:

- The procurement is not within the general grant of statutory authority to SPD or DIR.
- The department, procurement type, or contract value is outside of SPD or DIR authority.

Step 1

Procedures for Purchase by Threshold

The following outlines procedures for Purchasing staff involved in procuring purchases by dollar value threshold.

Purchases Under \$10,000 (Spot Purchases)

Purchasing staff will do the following in the order indicated to process a spot purchase:

- Determine what is requested to be purchased based on the requisition and by discussing project details with the end user.
- Depending on if the purchase is for goods or services, use purchasing protocols to determine the procurement method that will result in the best value.
- Seek vendors on the CMBL and or certified as a HUB, where possible
- Once a vendor has been selected, prepare the purchase order (PO) and ensure all necessary documents are included in the procurement file.
- Submit a PO if it is determined that there is a state contract that can meet the end user's need.
- Dispatch the PO and save a hard copy for the procurement file in CAPPs and a copy in the designated folder on the division's shared drive, later to be posted to the department's website.
- Send a copy of the PO to the end user and the vendor.

One-Time Purchases \$10,000.01 – \$24,999

Purchasing staff will do the following in the order indicated for one-time purchases between \$10,000.01 –\$24,999:

- Determine what is requested and ensure the requested purchase is based on the requisition by discussing project details with the end user.
- Depending on if the purchase is for goods or services, use purchasing protocols to determine the procurement method will result in the best value.

- Submit a PO if it is determined that there is a state contract that can meet the end user's need.
- Search the active vendors on the CMBL with the National Institute of Governmental Purchasing (NIGP) Class and or Class/Item for the designated purchase for the informal bid process.
- Solicit at minimum three active vendors on the CMBL and make a good faith effort to include at least two current Texas Certified HUBs where applicable.
- Send an email quote to identified vendors with detailed information to respond to the informal bid.
- Receive informal responses in writing that are submitted by vendors in person, via direct mail, by fax, or email.
- Review vendor responses and select the vendor who offers the best value.
- Once a vendor has been selected, prepare the PO and ensure all necessary documents are included in the procurement file.
- Submit the procurement file for peer review.
- Once the peer review is complete, dispatch the PO and save a hard copy for the procurement file in CAPPS and a copy in the designated folder on the division's shared drive, later to be posted to the department's website.
- Send a copy of the final version to the end user and the vendor.

One-time Purchases Not Exceeding \$50,000 for Goods and \$100,000 for Services

Purchasing staff will do the following for purchases not exceeding \$50,000 for goods or \$100,000 for services in the following order:

- Determine what is requested and ensure the requested purchase is based on the requisition by discussing project details with the end user
- Depending on if the purchase is for goods or services, use purchasing protocols to determine the procurement method that will result in the best value

- If it is determined that there is a state contract that can meet the end user's need, follow the process to submit a PO
- If the procurement is a DIR procurement more than \$50,000 but not more than \$1 million, obtain three quotes from DIR vendors who provide goods or services for the necessary NIGP codes listed
- Review supply purchases to see if they fall within the Scheduled Procurements procedures
- If it is determined that a formal bid process is needed, choose the necessary procurement method and develop a solicitation using the Procedures to Draft the Solicitation
- Post the solicitation to the Electronic State Business Daily (ESBD)
- Solicit to all active vendors on the CMBL with the NIGP Class and or Class/Item for the designated purchase by sending a BCC (blind courtesy copy) email to individually announce the solicitation, the deadlines, and provide the link to the ESBD.
- Schedule a pre-bid conference, when necessary
- Facilitate the Q&A for the solicitation and post responses
- Receive proposals according to the solicitation and perform the administrative review for responsiveness for each vendor
- Conduct or facilitate the scoring process based on the solicitation type and stated evaluation process
- Check the selected vendor with all necessary agencies to ensure they are eligible to contract within the State
- Submit the selected vendor recommended for award to the Purchasing Director for certification
- Notify the vendor of the award
- If applicable, facilitate negotiation proceedings
- If applicable, develop the contract agreement reflecting standard terms and negotiated agreements and route for Office of General Counsel (OGC) review
- Send to vendor for partial execution
- Forward contract to the end user's department for signature authority for execution

- Provide the end user and the vendor a copy of the PO and contract (when applicable)
- Report the procurement information to the LBB according to the LBB reporting requirements and deadlines
- Post the PO and the contract to the TxDMV website
- Perform all contract administration duties until contract close out

Purchases for Goods Exceeding \$50,000 and Services Exceeding \$100,000

Purchasing staff will do the following for purchases for goods exceeding \$50,000 and services exceeding

\$100,000:

- Determine what is requested to ensure the requested purchase is based on the requisition by discussing project details with the end user according to Planning Procedures.
- Depending on if the purchase is for goods or services, use purchasing protocols to determine the procurement method that will result in the best value.
- Develop a solicitation using the Procedures to Draft the Solicitation (will include review/approval procedures and the HUB requirement from the HUB coordinator).
- If the procurement is not met by SPD Rule and exceeds \$50,000 to purchase goods or is a purchase for services that exceeds \$100,000, submit a delegation request to SPD to make an open market purchase for goods or submit a request through the Procurement Oversight & Delegation portal for services.
- If the procurement is a DIR procurement more than \$50,000 but not more than \$1 million, obtain three quotes from DIR vendors who provide information goods or services for the necessary NIGP codes listed.
- If SPD does not approve the delegation request, provide SPD with requested information for the procurement method they have chosen. SPD will complete the vendor selection process and will

notify the assigned Purchasing staff if any involvement is needed

- If SPD has approved the delegation request, start the formal procurement process by choosing the necessary procurement method.
- Post the solicitation to the ESBD using the Procedures for Posting Solicitations
- Solicit to all active vendors on the CMBL with the NIGP Class and or Class/Item for the designated purchase by sending an email to individually announce the solicitation, the deadlines, and provide the link to the ESBD (send a blind courtesy copy to all vendors selected to be notified on the CMBL).
- Schedule a pre-bid conference, when necessary.
- Facilitate the Q&A for the solicitation, and post responses.
- Receive proposals according to the solicitation and perform an administrative review for responsiveness for each vendor.
- Score will be conducted based on the solicitation type and stated evaluation process.
- Perform a check with all necessary agencies to ensure the selected vendor is eligible to contract within the State.
- Submit the selected vendor recommended for award to the Purchasing Director for certification.
- Notify the vendor of the award.
- If applicable, facilitate negotiation proceedings.
- If applicable, develop the contract agreement reflecting standard terms and negotiated agreements and route for OGC review.
- Send to vendor for partial execution.
- Forward contract to department signature authority for execution.
- Provide the end user and the vendor a copy of the PO and contract (when applicable).
- Report the procurement information to the LBB according to the LBB reporting requirements and deadlines.
- Post the PO and the contract to the TxDMV website.
- Perform all contract administration duties until contract close out.

Purchases over \$1 Million

Major contracts are subject to TGC regulations and Contract Advisory Team (CAT)/QAT review. Purchasing staff will do the following:

- Determine what is requested to be purchased and ensure the requested purchase is based on the requisition by discussing project details with the end user according to Planning Procedures.
- Depending on if the purchase is for goods or services, use purchasing protocols to determine the procurement method that will result in the best value.
- Develop a solicitation using the Procedures to Draft the Solicitation (will include review/approval procedures and the HUB requirement from the HUB coordinator).
- Submit a delegation request to CPA.
- If the procurement is a DIR procurement more than \$1 million but not more than \$5 million, obtain six quotes from DIR vendors who provide goods or services for the necessary NIGP codes listed.
- If SPD does not approve the delegation request, provide SPD with requested information for the procurement method they have chosen. SPD will complete the vendor selection process and will notify the assigned Purchasing staff if any involvement is needed.
- If SPD has approved the delegation request, start the formal bid process and choose the necessary procurement method.
- Post the solicitation to the ESBD using the Procedures for Posting Solicitations.
- Solicit to all active vendors on the CMBL with the NIGP Class and or Class/Item for the designated purchase by sending an email to individually announce the solicitation, the deadlines, and provide the link to the ESBD (send a blind courtesy copy to all vendors selected on the CMBL).
- Schedule a pre-bid conference, when necessary.
- Facilitate the Q&A for the solicitation, and post responses.

- Receive proposals according to the solicitation and perform the administrative review for responsiveness for each vendor.
- Facilitate the scoring process based on the solicitation type and stated evaluation process.
- Check the selected vendor with all necessary agencies to ensure they are eligible to contract within the State.
- Submit the selected vendor recommended for award to the Purchasing Director for certification.
- Notify the vendor of the award.
- If applicable, facilitate negotiation proceedings.
- If applicable, develop the contract agreement reflecting standard terms and negotiated agreements and route for OGC review.
- Send to vendor for partial execution.
- Forward contract to department signature authority for execution
- Provide the end user and the vendor a copy of the PO and contract (where applicable).
- Report the procurement information to the LBB according to the LBB reporting requirements and deadlines.
- Post the PO and the contract to the TxDMV website.
- Perform all contract administration duties until contract close out.

Purchases over \$5 Million

Major contracts are subject to TGC regulations and CAT/QAT review.

Purchasing staff will do the following in sequence:

- Determine what is being requested to be purchased and to assure the requested purchase is based on the requisition by discussing project details with the end user according to Planning Procedures.
- Depending on if the purchase is for goods or services, use purchasing protocols to determine the procurement method that will result in the best value.

- Develop a solicitation using the Procedures to Draft the Solicitation (will include review/approval procedures and the HUB requirement from the HUB coordinator).
- Submit solicitation documents for contracts that have a value of \$5 million or greater to the Contract Advisory Team (CAT) for review regardless of the procurement method.
- Notify QAT for any solicitation of a major information resources project regardless of the solicitation method, include the requisition number for each solicitation advertised
- If the procurement is a DIR procurement and is more than \$10 million, the department may not enter into a contract to purchase a commodity item through the DIR Cooperative Contracts Program unless it is a DIR coordinated bulk purchase.
- If the CAT does not approve the delegation request, provide CAT with requested information for the procurement method they have chosen. CAT will complete the vendor selection process and will notify the assigned Purchasing staff if any involvement is needed.
- If CAT has approved the delegation request, start the formal bid process and choose the necessary procurement method.
- Post the solicitation to the ESBD using the Procedures for Posting Solicitations.
- Solicit to all active vendors on the CMBL with the NIGP Class and or Class/Item for the designated purchase by sending an email to individually announce the solicitation, the deadlines, and provide the link to the ESBD (send a blind courtesy copy).
- Schedule a pre-bid conference, when necessary.
- Facilitate the Q&A for the solicitation, and post responses.
- Receive proposals according to the solicitation and perform the administrative review for responsiveness for each vendor.
- Facilitate the scoring process based on the solicitation type and stated evaluation process.
- Check the selected vendor with all necessary agencies to ensure they are eligible to contract within the State.
- Submit the selected vendor recommended for award to the

Purchasing Director for certification.

- Notify the vendor of the award.
- If applicable, facilitate negotiation proceedings.
- If applicable, develop the contract agreement reflecting standard terms and negotiated agreements and route for OGC review.
- Send to vendor for partial execution.
- Forward contract to department signature authority for execution.
- Provide the end user and the vendor a copy of the PO and contract (where applicable).
- Report the procurement information to the LBB according to the LBB reporting requirements and deadlines.
- Post the PO and the contract to the TxDMV website.
- Provide the end user and the vendor a copy of the PO and contract (where applicable).
- Perform all contract administration duties until contract close out.

Step 2

Procedures for Purchase by Product or Service

High Volume, Low Cost Requisitions

Purchasing has identified the following procurement items to strategically consolidate high volume, low- dollar transactions:

- Paper
- Toner
- Office Supplies

Requisitioner should submit separate requisitions for each of these procurement categories.

Requisition Requirements

- Required on the requisition: cartridge specific manufactured part number, printer make and model, and standard or high yield (define)
- Purchasing will solicit based on the following sequence
- TxSmartBuy – remanufactured toners
- Department of Information Resources (DIR) website term contracts – competitively bid for computer peripherals
- Purchaser will competitively solicit bids for the toner
- Office supplies include the following related products:
- Pens, pencils, sticky notes, scissors, staplers, staples, rulers, paper clips, note pads, spiral notebooks
- Required on the requisitions: full description from TxSmartBuy, include any manufacturer or supplier part numbers; include any specific details to reduce any delays.

Justification in the “Additional Information” box on the requisition is required if the product requested should not be replaced with a comparable product from TxSmartBuy.

Purchasing will solicit based on the following sequence:

- Search product or a comparable product in TxSmartBuy (first choice)
- Products or comparable products, not in TxSmartBuy, will require solicitation of bids from Centralized Master Bidders List (CMBL) vendors
- Products requested which need additional clarification will require the Purchaser to coordinate with the requesting division. To ensure the order is placed within a reasonable turnaround time, a timely response is requested, otherwise, these specific requests will be processed at a later time.

Information Technology (IT) Procurements & DIR Contracts

Hardware/Software/Information Technology

When a business need for software is identified, the request must be approved by the Information Technology Services Division (ITSD). A completed requisition and attached quote in the comments field is required at the line level in the requisition, regardless of dollar amount.

Purchasing staff will use contracts established by DIR to procure Automated Information Systems (AIS) unless an exemption or exclusion applies. AIS products include computers and telecommunication systems.

DIR Contracts

IT commodities items include commercial software, hardware, or technology services (not including telecommunication services) that are generally available to the public and for which DIR determines a reasonable demand exists in two or more state agencies. It also includes End-User IT Outsourcing (managed services), through which an agency transfers its personal computer equipment and service responsibilities to a private vendor.

Information resources technology contracts over \$5 million are considered major information resources projects and require an additional standard of compliance administration and monitoring.

Purchasing staff will use the following table for information regarding the different types of DIR master contracts for procuring IT commodities.

DIR Master Contract Types for IT Commodities

DIR Cooperative Contracts Program

- Use for the following IT contracts:
 - Hardware
 - Software
 - Technology-Based Training
 - Managed Services
 - IT Staff Augmentation Contracts (ITSAC)
 - Deliverables-Based IT Services (DBITS)
- May issue pricing request to multiple DIR vendors to initiate price competition for the final purchase award
- The following threshold considerations apply:
 - Contracts no more than \$50,000 can be directly awarded to a vendor in the category and do not require submitting a price request to other vendors
 - Contracts more than \$50,000 and no more than \$1 million require submitting a request pricing to at least three vendors in the category (or all, if there are less than three)
 - Contracts more than \$1 million but not more than \$5 million require submitting a request for pricing to at least six vendors in the category (or all, if there are less than six)
- Submit a DIR Statement of Work (SOW) for contracts that exceed \$50,000 for certain types
- Exemptions from using a DIR contract may be obtained by the following:
 - DIR Exemption – includes Blanket Exemptions that are granted to all state agencies and One-Time Exemption Request submitted through the DIR portal
 - Legislative Budget Board (LBB) Approval – can obtain an LBB exemption but must get a DIR exemption first
- DIR Certification of Unavailability – certification granted by DIR that certifies the commodity item is not available under an existing DIR contract
- Purchases not within DIR procurement authority include:
 - Purchases over the \$5 million threshold for IT commodity items established by statute
 - Purchases for commercial software, hardware, or technology services for which DIR determines is not a reasonable demand

	<p>for two or more state agencies</p> <ul style="list-style-type: none">○ Exclusions expressly authorized by statute
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<p>Texas.gov Services</p>	<ul style="list-style-type: none"> • Use to contract through a third-party customer agreement between the department and the public/private partnership with DIR and DIR's service provider for the official e-government web portal for the State of Texas that provides "one-stop shopping" access to government services • Services include payment processing, custom application development, operational infrastructure support, customer service, marketing, and analytic reporting
<p>Data Center Services</p>	<ul style="list-style-type: none"> • Use for statewide technology center services related to information resources, information resources technology; and the deployment, development, and maintenance of software applications • Thresholds requirements, SOW review, and signature process associated with the DIR Cooperative Contract Program apply
<p>Telecommunication Services</p>	<ul style="list-style-type: none"> • Use to purchase telecommunication services offered by DIR through the operation of major and secondary networks and numerous contracts for communications related services • Must request and be granted a waiver before procuring the service through an avenue other than DIR

Professional Services

Purchasing staff may use a professional services procurement if purchasing services are within the scope of practices include the following:

- Accounting
- Architecture
- Land Surveying
- Medicine
- Optometry
- Professional Engineering
- Real Estate Appraising
- Professional Nursing

- Forensic Science

Services must be provided relating to the professional employment or practice of a person who is licensed in the key areas listed. Additionally, services are provided by a person lawfully engaged in interior design whether they are registered or not.

Purchasing staff will primarily use the Request for Proposals (RFP) or Request for Qualifications (RFQ) selection process and will select the highest qualified vendor based on competence and qualifications and will attempt to negotiate a fair and reasonable price for services. Vendors are not allowed to exceed lawful maximums for professional fees.

If negotiations are not successful with the highest qualified vendor, the Purchasing staff can go to the next highest qualified vendor until a contract is executed.

The Legislative Budget Board (LBB) will be notified by the department no later than the 10th day after a professional services contract has been executed that exceeds \$50,000 when considering amendments, modifications, and renewals (physician or optometric service contracts are excluded).

If the department seeks to contract a vendor for audit services, a review of the scope must be submitted to the State Auditor's Office (SAO) and services must be procured by competitive selection.

Consulting Services

The department is authorized by statute to procure consulting services, which refers to the service of studying or advising the department under a contract that does not involve the traditional relationship of employer and employee.

The following applies to consulting services contracts:

- Consulting services contracts that include consulting and other services will qualify as a consulting services contract if the primary objective of the procurement is consulting services and are subject to ESDD posting requirements as well as requirements applicable to CAT reviews

- A major consulting services contract is one that exceeds \$15,000. Such a contract requires Governor's approval and must be posted to the ESBD no later than 30 days before the date the department enters into the contract
- Consulting contracts cannot be divided into more than one contract award to avoid the procurement requirements for consulting services contracts
- Contracts must include provisions that allow other state agencies and the State Legislature to distribute and post consultant reports at the department's discretion
- An emergency waiver of compliance may be granted upon request for an unforeseen emergency
- See the State of Texas Procurement and Contract Management Guide for details on posting consulting contracts to the ESBD and notifying the LBB

A consulting services contract will be void under the following circumstances:

- If the contract is entered into without complying with the ESBD posting requirements and notification requirements to the LBB
- The contract is entered with a private consultant who has been employed by the department or another state agency during the two years preceding the contract offer and failed to disclose to the department the following information in the offer:
 - The nature of their previous employment with the other state agency
 - The date the employment was terminated
 - The annual rate of compensation of the employee at the time of termination.

Legal Services

A procurement for legal services other than a full-time employee of the Office of the Attorney General (OAG) requires OAG approval.

Purchasing staff must electronically submit a Request to Retain Outside Counsel (RtR) and must submit an anticipated Outside Counsel Contract (OCC) to OAG.

The following will apply if procuring a legal services contract with contingent fees:

- Must comply with Texas Government Code
- The governing body of the department must approve the contract and the contract must be signed by the presiding officer of the governing body
- The governing body must find that there is substantial need for legal services
- The legal services needing to be procured cannot be adequately performed by the department's or any other state agency's attorneys and supporting personnel
- The legal services cannot reasonably be obtained from a private practice with a contract for payment of hourly fees because of the nature of the matter or because the department does not have appropriated funds for payment of hourly fees (this requires a finding from the LBB or the contract may be considered void)

Lease and Rental of Copier and Multifunction Unit (MFU) Equipment

The Purchasing Section processes all purchase orders for leases and rentals of copiers and MFUs for the department.

- Installation of New Equipment - Leases and rentals for new equipment may be placed at any time during the fiscal year; however, requests for any new leases or rentals should be approved by the ITSD Chief Information Officer (CIO)
- Renewals and Extensions – Renewals and extensions must be performed before PO expiration. If the PO expires and equipment is still being used without a PO in place, then TxDMV is liable for additional charges and a “non-compliant” memo template is required. The division may acquire a non-compliant memo template from TxDMV Purchasing.

If replacement equipment will not be installed prior to an existing PO's expiration, that existing PO must be extended (or a short-term PO put in place) to cover additional time the existing equipment is still in use.

- Expiration and Cancellation– Each division should send an e-mail to

the appropriate purchaser a minimum of 45 days before PO expiration when requesting removal of equipment and allowing the PO to expire.

NOTE: DIR contract terms require a 30-day written notification to the vendor to remove equipment on an expiring PO. If notification is not submitted in a timely manner, TxDMV may be liable for additional charges beyond the term of the PO which will constitute a non-compliant purchase. If notification cannot be submitted 30 days prior to expiration, the purchaser may need to extend the current PO.

- Lease cancellation – In the initial term, leases may only be canceled under certain circumstances, such as non-approval of funds from the Legislature. Leases may be canceled with 60 days' notice during a renewal period.
- Cancellation during lease term – The Division reviews the contract terms regarding cancellation of the contract. The Division must obtain approval via email from the vendor requesting cancellation. Upon receipt of approval, Division must submit via e-mail to the Purchasing section, a request to cancel a minimum of 75 days prior to expiration. The purchaser will follow same steps for rental cancellation.
- Cancellation during renewal term – Division needs to submit via e-mail to the Purchasing section, a request to cancel a minimum of 75 days prior to expiration. Purchaser will follow the same steps for rental cancellation.
- Cancellation and non-renewal letters (to pick up equipment) must allow 30 days' notice, unless vendor agrees to a date sooner than 30 days. If so, the letter needs to include the actual agreed upon removal date.

Non-Compliant Procurement Process

1. Buyer must confirm that the new items or services are not covered by any CAPPs purchase order once the buyer is notified by either the division, budget analyst, accountant or receiving staff that a non-compliant procurement may have taken place.
2. Buyer will contact the division's contract representative to initiate the

non-compliant memo for executive director approval. A non-compliant memo template can be obtained on the intranet.

- Confirm quantities, services and/or amounts of the non-compliant procurement.
 - Contact Payment Processing for a copy of an invoice if one has been received.
3. Completing non-compliant memo template.
- Under Background/Summary, enter the type of goods/services received, vendor name and dollar amount.
 - Under Discussion, explain the circumstances associated with the non-compliant.
 - Under Correction Action Plan, explain how this will be mitigated in the future.
 - Under From, enter the name of the division director associated with the non-compliant purchase. If there are more than one division involved in the non-compliant, include additional names. Memo will be routed to each director for coordination of information and sign off.
4. Division returns the completed non-compliant memorandum to the Director of Purchasing. Director of Purchasing will review for completion. Director of Purchasing will return the non-compliant memo for the division to route for approvals.
- Packet will include the cover transmittal memo and non-compliant memo.
 - Optional documents include a copy of the vendor's invoice, original CAPPs PO (if available) and the CAPPs requisition.
5. Upon receipt of the signed non-compliant memo, the division will route a new requisition through CAPPs. The non-compliant memo must be attached to the requisition.
6. Upon receipt of requisition, the assigned buyer will issue a new, separate purchase order. No purchase order change notice (POCN) to the original PO.
- Buyer must confirm that the non-compliant memo remains attached to the new PO.
7. Buyer will mark the PO as "after the fact" in the "Special/Priority Purchase Types" link in the PO Header section in CAPPs

Moves/Facilities

All contracts, purchase orders or requests for moves, space or facilities needs must be coordinated through and approved by the FAO Division prior to initiation of a requisition by the end user.

- Written approval must be obtained from the FAO Division and submitted to the Purchasing and Contracts Section along with the request to purchase.

Rental of Conference Facilities, Meeting Rooms or Booth Space

State-owned and Higher Education Facilities

The department must use state-owned or state-occupied facilities for meetings and conferences and may not use appropriated money to lease private facilities for these purposes unless state facilities are not available when needed, or are not adequate to accommodate the meeting or conference, or are not an economically favorable alternative to other facilities (ref. TGC, Sec. 2113.106).

- End users must confirm that state-owned or state-occupied facilities for meetings or conferences are not available when needed, are not an economically favorable alternative or are not adequate to accommodate the meeting or conference prior to submitting a request for purchase. (TGC §2113.106).
- The [Texas Facilities Commission \(TFC\) Conference Room Reservation System](#) website may be used to schedule the use of conference rooms in many state office buildings.
- The end user must submit a requisition for state-owned or higher education facilities. The end user must include a copy of the agreement or contract (unsigned) (if applicable) and the itemized invoice.
- If a state facility is not available, or economically feasible, the end user documents the efforts to locate a state facility and submit documentation with the approved requisition not less than 30 days prior to the date of need.
- Public-owned Facilities: A public-owned facility (example: Austin Convention Center) may be rented if a state facility is not available or economically feasible following the same procedure identified in bullet three of this paragraph. A PO is required for public-owned facilities. Use of proprietary purchasing procedures are required if \$10,000 or greater.
- Private-owned Facilities: A private facility may be rented if a state facility is not available or economically feasible. Events sponsored and arranged by TxDMV are subject to competitive bidding requirements when not held at a state facility. Use of the proprietary purchasing procedure is required if there is only a single source available in the proposed location/city.

- End user may utilize a city's local Visitor's Bureau website to review venue locations and private facilities. End user may post requirements on the Visitor's Bureau website.

Rental of Booth Space

Rental of booth space at trade shows or conventions is proprietary to the organization sponsoring the event. To arrange for rental of booth space, the end user must obtain all necessary paperwork required by the sponsoring organization and determine:

- Location of event;
- Date of event;
- Booth size; and
- Cost

NOTE: Booth rental may be combined with registration for an event.

Rental Requirements

TxDMV Division(s) must submit a contract or rental agreements with the approved requisition not less than 30 days prior to the date of need.

Solicitation thresholds may require additional days for requisition submission, bid contact requirements and purchasing review.

Purchasing will review the contract or agreement for compliance with the department's terms and conditions such as provisions for cancellation fees, indemnification and taxes. Purchasing may seek review from OGC prior to approving. Contract or rental agreements must be approved by Purchasing and OGC then signed by either the executive director or authorized designee.

The facility rental agreement should include the sound equipment and special lighting required. If this is not provided by the facility and the amount is over \$10,000, informal bids are required.

Purchasing staff may use a Procurement Card (PCard) if the cost does not exceed the cardholder's single transaction limit.

Rental Prohibitions

The purchase of food, beverages and prepared meals is prohibited by the Texas Constitution except for meals purchased for department award ceremonies.

The purchase of decorations or ornaments for banquets, conferences and other special events is prohibited.

Promotional Items

The department has authority to purchase promotional items that support public service educational campaigns related to the department's functions, as authorized by Transportation Code 1001.11. The department also has specific authority for promotional items to support the Historically Underutilized Businesses (HUB) program in Texas Administrative Code 20.296 (b), and to inform motor vehicle owners of methods of preventing motor vehicle burglary or theft and fraud-related motor vehicle crime, per Transportation Code 1006.154 (c).

The division requesting the promotional item will justify the procurement based on appropriate authority and will describe the benefit to the department. The division will document this justification and benefit utilizing the department's requisition process in CAPPs. The department will solicit the item in compliance with state requirements.

The Finance and Administrative Services will monitor the promotional item account code to ensure compliance with statutory authority.

Sponsorship of Events

TxDmv is prohibited from participating in "sponsorships." The Texas Constitution prohibits state agencies from giving away state funds. "Giving Away" includes spending where equal value is not received by the agency in return.

Registration Fees for Seminars

Registration fees for a seminar conducted by a state agency are considered state funds as soon as they are collected, regardless of who collects them.

An agency cannot legally charge more than its estimated cost on a conference to “bank” money for a future conference because that would constitute a forbidden “fee of office.” Any remaining money can be applied to the costs of a future seminar or conference conducted by the agency.

Interpreter and Translation Services

To secure interpreter or translation services, a requisition must include but is not limited to:

- Mode of interpreting required. (i.e. Simultaneous, Consecutive or Whispered)
- Type of interpreter needed. (i.e. Conference interpreters, Guide or escort interpreters, Health or medical interpreters and translators, Legal or judiciary interpreters and translators, Literary translators or Localizers)
- Licenses, Certifications and Registrations requested, if any

Memberships

A state agency may pay a membership fee to a professional and/or non-professional organization if:

- The agency has specific or implied statutory authority for the payment;
- The payment would serve a proper public purpose; and
- The agency would receive adequate consideration in exchange for the payment.

Professional: A state agency may not use appropriated money to pay for membership or dues for a professional organization unless the administrative head of the agency, or that person’s designee, first reviews and approves the expenditure. Refer to the annual approved memberships signed by the agency head. If the membership is not included on that list, it must be approved by the agency head on a case- by-case basis.

Non-Professional: A state agency may pay a membership fee to a private

entity to purchase goods or services at a discount. The agency must show the cost of the goods or services plus the membership fee if less than the cost of purchasing the goods or services elsewhere.

Subscriptions/Periodicals

A state agency may pay the cost of a periodical subscription a maximum of six weeks before it begins. A state agency may use money appropriated for a particular fiscal year to pay the entire cost or amount of a periodical subscription.

Postage

The department may use appropriated money to purchase postage only from the United States Postal Service (USPS). This limitation does not apply to:

- A reimbursement received by the department for authorized services and appropriated directly to the department
- Under a contract for mailing services that may include postage, if the contract has been approved by the SPD
- An authorized petty cash account
- A state employee for an emergency purchase of postage

The department must purchase or rent a postage meter machine from a company approved by SPD since it exceeds the postage dollar amount set by the General Appropriations Act (GAA) for that fiscal year. SPD adopted, by rule, procedures for the renting entity to pay for postage. The department is required to record all purchases for postage on the machine, except for purchases of postage for employees in field offices and traveling employees.

A state agency must use the most cost-effective means of postal service available. The state agency may use appropriated money to purchase any form of mailing service from USPS that results in a lower cost to the agency and is comparable in quality to other available postal services. SPD is required to assist state agencies in determining the types and comparability of postal services available from USPS.

Use of the department PCard to pay for yearly Post Office Box fees is allowable.

- In August of each appropriation year, Divisions shall submit a requisition in CAPPs for the full funding requirements for the next appropriation years' postage needs.
- To request postage, Divisions will process a receipt in CAPPs against the appropriate PO for payment.
- Divisions will e-mail the following information to: Zz – Resource – DMV_FIN- INVOICES@TxDMV.gov:
 - CAPPs PO number and Receipt Number
 - Applicable Postage meter and/or permit account balance report
 - Payment deadline
 - If a warrant is required and whom to contact to pick up a warrant

Printing

As it applies to State purchasing, printing is a means of word processing or graphic reproduction of paper documents using a printing press. Printing is a service and the authority to procure it is delegated by the CPA to agencies for competitive purchases not exceeding \$100,000.

SPD manages the [State Print Shop Web Portal](#). Purchasing staff is required to contact the State print shops for formal bids.

End user should determine the print job specifications and estimated purchase price. Estimates may be received from State Print Shops or other entities directly without utilizing this process, but estimates received will not be considered formal bids for procurement purposes.

If TxDMV has a job to be fulfilled on a more-or-less regular schedule, that is identical or substantially the same job each time, the department should consider that one job for purposes of this procedure. In establishing specifications, the department will need to provide the print schedule for the Fiscal Year.

Publishing Advertisements or Notices

To place an advertisement in a newspaper, magazine or other publication, the following steps must be performed by the end user:

- Contact the publisher to obtain a copy of their rate schedule and a price quotation. A PO cannot be issued for placement of the advertisement without a rate schedule from the publisher.
- Submit a requisition through CAPPs with the publisher's information to include their address, representative's name, title and phone number, and the estimated or actual cost(s).
- Attach, using the comments field on the line level of the requisition, a copy of the advertisement/article to be published and the rate schedule received from the publisher.

A PO will be issued and Purchasing will coordinate with the requestor to forward the PO to the publisher.

Telephone Repairs

Telephone repairs are procured following the same procedures as any other DIR service.

Out of Agency Training

If training of TxDMV staff is needed, the end user must submit a requisition through CAPPs and the Purchasing staff will make the procurement following the procurement procedures described in this manual.

Furniture

To fill furniture needs, the department must secure the purchase through one of the following state procurement options – State Surplus Property Program, TIBH or the Texas Correctional Industries (TCI). Prior to submitting a requisition, the division should seek executive director approval through the furniture request process from FAO Budget. Contact the respective division budget analyst in FAO to initiate this process.

State Surplus

State agencies may obtain property priced at less than \$200 for official use from the [Texas Facilities Commission's State Surplus Property Program](#) free of charge. State agencies may obtain property priced at more than \$200 for official use for half price. For additional information on the acquisition of State Surplus, contact the TxDMV Property Manager.

The State Use Program (WorkQuest)

As a set-aside state contract, WorkQuest provides approved products exempt from competitive bidding. WorkQuest items are available for ordering through the TxSmartBuy Online Ordering System and at the WorkQuest store.

Texas Correctional Industries

Competitive bidding is not required for items purchased from the Texas Department of Criminal Justice (TDCJ) under the Prison Made Good Acts. The Prison Made Goods Act requires that an agency purchase goods made by and services offered by the Texas Correctional Industries (TCI.)

If a product/service offered by TCI as set forth in its Texas Correctional Industries (TCI) Catalog of products and services needs to be purchased from a source other than TCI, a waiver from TCI must be obtained. The waiver request can be based on a substantial difference in specifications, which could include delivery, or on substantial price differences or both. The TxDMV purchaser will obtain the waiver.

Personal Reimbursement

Personal reimbursements are not permitted unless approved by the executive director. All procurement options must be exhausted prior to an employee making an official business purchase. Any staff with an approved personal reimbursement must fill out and submit, to FAO, a Payment Request Form and provide the itemized receipt. The end user is to use their divisions' internal process for obtaining executive director approval.

Gift Cards

Gift cards, not exceeding \$100, may be purchased using department funds; however, cash or cash equivalent items provided to employees are never excludable from income. Gift cards are issued at the discretion of the division. Gift cards or certificates that are redeemable for general merchandise or have a cash equivalent value are not de minimis benefits and are taxable. Supervisory staff distributing cards and/or certificates purchased using department funds must be reported to the Director of Accounting. Examples of gift cards and/or certificates that do not require reporting are: gift cards for restaurants or movie tickets and those that allow an employee to receive a specific item of personal property that is minimal in value and provided infrequently. For further clarification as to

what must be reported as taxable, contact the Director of Accounting.

Temporary Contract Personnel Services

Prior to requesting temporary contract personnel services (CPA or DIR), requesting division(s) shall first determine if the services can be provided by internal staff. If internal staff is not available to provide the services, the requesting division(s) shall submit a Need Assessment Form to the executive director on all temporary contract personnel through the CAPPs requisition process. The Need Assessment must include justification as to why internal staff are not available to provide the requested services. The standard term of service shall be for a period of two (2) years (4160 hours) but, may be less on a case- by-case basis.

The term of service on the CAPPs PO must not exceed the term of service on the CPA managed contract. The CAPPs PO may be renewed if needed, provided the CPA (WorkQuest) managed contract has been renewed. The term of service on the CAPPs PO may exceed the term of service on a DIR Information Technology Staff Augmentation Contract (ITSAC) staffing services managed by DIR per the survival clause in DIR's standard terms and conditions.

Oversight of Temporary Contract Personnel

- TxDMV is contracting with a vendor as an independent contractor. To protect TxDMV against claims by temporary contract personnel for unemployment or other benefits, TxDMV staff must not treat temporary contract personnel as TxDMV employees as described below.
- Billing rates are confidential and must not be discussed with temporary contract personnel. Billing rates do not reflect the pay rate of temporary contract personnel paid by the vendor. Refer the temporary contract personnel to the vendor for any questions on pay or billing rates.
- Job Duties: Do not use temporary contract personnel for other than the specific requested duties. A change in job duties may require

the temporary contract personnel to be re- classified at a different billing rate. It is the vendor's responsibility to determine if temporary contract personnel have the skills to handle the change in job duties.

- Counseling and Discipline: Temporary contract personnel must not be counseled or disciplined by TxDMV. The TxDMV supervisor should immediately report any performance or behavioral problems to the Purchasing staff. The Purchasing staff will document for the procurement file and convey appropriate information to the vendor. The vendor will take any corrective action needed or replace the temporary contract personnel.
- TXDMV will adhere to the Internal Revenue Services' guidelines for hiring contractors.
- Releasing Temporary Contract Personnel: The vendor is responsible for releasing temporary contract personnel. The division supervisor must request the release of temporary contract personnel as follows:
 - Not less than five days prior to the expiration date of a purchase order, the division supervisor must send an e-mail to advise the purchaser not to renew and provide the last working day of the temporary contract personnel. The purchaser will notify the vendor that the PO will not be renewed and when the temporary contract personnel will be released. The vendor will release the temporary contract personnel.
 - When a situation occurs requiring the immediate release of temporary contract personnel during work hours, the division supervisor will contact the purchaser who will coordinate with the vendor to directly request the vendor arrive on-site and immediately release the temporary contract personnel. The purchaser will coordinate the replacement of temporary contract personnel, if required.
- Activation and Deactivation to System and Building Access: Division supervisors are responsible for activation and deactivation of temporary contract personnel to system(s) and building access. In the event of deactivation, division supervisors should promptly inform the Security Administrator(s) to deactivate a temporary personnel's access. This action is necessary to ensure security.

- Travel: Temporary contract personnel may travel on TxDMV business. If the temporary contract personnel will be required to travel for TxDMV business, the requisition must contain a second line item for travel. The TxDMV division supervisor will provide pre-approved, written authorization for travel for any services to be performed away from the primary work location(s). Pre-approved travel expenses are limited to the rates and must comply with the rules prescribed by the State of Texas for travel, including any requirements for original receipts.
- Driving State Vehicles: Temporary contract personnel may not drive TxDMV vehicles; however, temporary contract personnel may be passengers in TxDMV vehicles when their travel is directly related to official TxDMV business if a Release of Liability and Hold Harmless Agreement is completed. The agreement is available from the TxDMV Fleet Manager.
- Changes: All changes to the PO must be handled by the purchaser (e.g., change in position, job duties, etc.) through a Purchase Order Change Notice (POCN).

Step 3

Delegated vs. Non-Delegated Procurements Process

SPD Non-Delegated Procurements

Non-delegated procurements include set aside programs and term contracts as well as procurements for which SPD's purchasing authority has not been delegated to agencies by rule.

Purchasing staff will use the following table to decide if using the non-delegated procurement methods will offer the best value.

Non-Delegated Procurement Methods	
Texas SmartBuy	Utilize the Texas online marketplace for non-IT goods and services.
Set Aside Programs	Submit purchase orders to procure through set aside programs including: <ul style="list-style-type: none">• Texas Correctional Industries (TCI) for goods and services, which includes allowing TCI the final opportunity to compete and provide the lowest price for printing procurements.• The State Use Program, which oversees the Purchasing from the People with Disabilities Program where partners employ disabled workers to develop products or provide services.
Term Contracts	Use to purchase or lease goods and services in large quantities. <ul style="list-style-type: none">• A Managed Term contract may be needed if there is a specific business need for a specific delivery schedule that alters the pricing schedule.• Travel services are negotiated with the State Travel Management Program (STMP). Purchasing staff must have prior approval from SPD before

	entering into a contract for travel services. Exemptions to SPD Travel Services Contracts are listed in the State of Texas Procurement and Contract Management Guide.
SPD - Administered Department-Specific Procurements	Applies to procurements not delegated to state agencies under the SPD Review and Delegation Process. Purchasing staff will provide specifications to SPD and SPD will process the procurement from solicitation through award.
Proprietary Purchases	<p>Use for purchases for products or services where the specifications or conditions are proprietary to one vendor and do not permit an equivalent product or service to be supplied. Proprietary purchases can be sole source or competitive.</p> <ul style="list-style-type: none"> • Sole Source – applies when the product or service is only available to be purchased through one single vendor. Sole source procurements under \$10,000 do not require competitive bid. • Competitive – applies when the product or service is available through more than one vendor.

Non-Delegated Procurement Methods

<p>Mail and Messenger Service Contracts</p>	<ul style="list-style-type: none"> • The department will use SPD’s interagency mail and messenger service for delivery of unstamped and non-metered mail to the Legislature, other state agencies in Travis County. • Use for mail delivered to and from the United States Postal Service by agreement with SPD. • The department will have to fund metered mail service through an agreement with SPD and will receive a monthly report, overages must be promptly paid to avoid interruption of metered service. • If renting, purchasing, selling mail processing equipment or contracting with a private entity for mail the department must: <ul style="list-style-type: none"> ○ Submit a written justification to SPD for equipment or services under \$10,000 ○ Submit a detailed life cycle cost benefit analysis to SPD for equipment or services over \$10,000 ○ Provide a written statement of a need for action and benefits for any action that will significantly affect first-class mail practices
<p>Printing Services and In-House Copy Centers</p>	<ul style="list-style-type: none"> • The department must get approval to establish a full-service print shop and in-house printing in-house copy centers. • Purchasing or leasing printing and copy equipment is subject to SPD review. • Use SPD approved print shops to procure print services costing \$2,500 or more <ul style="list-style-type: none"> ○ Complete and submit a Print Shop Job Request Form to the State Print Shop Web Portal to receive a response by three business days ○ Use the SPD Print Bid Tabulation Template ○ Allow TCI to submit a bid to beat the lowest price (do not disclose lowest bid to TCI) ○ If no bids are received from the State Print shops, the department may solicit bids from TCI and commercial vendors

	<ul style="list-style-type: none"> • Purchases under \$2,500 can be sourced directly from the contracted print shops or by soliciting bids
<p>Used Equipment</p>	<ul style="list-style-type: none"> • If the department is not able to procure new equipment because of lack of funds or if used equipment will be satisfiable and a substantial savings; the department may procure used equipment consistent with the procurement method that fits the purchase amount. • If the procurement is not delegated by SPD the department will keep a record in the procurement file of the following: <ul style="list-style-type: none"> ○ Proof the used equipment to be purchased has been examined by an authorized TxDMV staff ○ A description of the condition and value of the equipment ○ Documented reasons new equipment could not be procured or reasons the used equipment provides a substantial savings • If the procurement exceeds the department's delegation authority, an Open Market Request (OMR) with the same information above will be submitted to SPD.

Non-Delegated Procurement Methods

Trade-Ins	<ul style="list-style-type: none"> • The department may trade in department-owned equipment for new equipment of the same or similar type if it is in the best interest of the State. • If the property has been declared surplus or salvage, it must be disposed of through the State Surplus Property Program. • If a trade-in is performed through a solicitation, the procurement file must include an approximate value and the solicitation must include a Requirements and Equipment Description.
Contract Established by Another State Agency	<ul style="list-style-type: none"> • Use if another state agency can fulfill an unmet need. • The SPD Director will either: <ul style="list-style-type: none"> ○ Endorse the contract of the other state agency as an SPD contract and make it available for general use for the department. ○ Authorize the use of the contract of the other department on a case- by-case basis • If case-by-case, the department will provide a written notification to SPD signed by the Purchasing Director to include: <ul style="list-style-type: none"> ○ Confirmation that an SPD contract does not exist for similar goods and services ○ Disclosure of the terms of the other state agency’s contract ○ Capabilities of the vendor ○ A justification that addresses how using the other department’s contract will be more advantageous than creating a new contract. • Upon approval from SPD, the department will proceed with the procurement

<p>Federal Government Purchases and Interstate Compacts and Cooperative Agreements</p>	<ul style="list-style-type: none"> • SPD or an institution of higher education may procure goods of any kind with another department of the federal government if the purchase does not exceed the fair market value of the goods • SPD may also enter into one or more compact agreements, interagency agreements, or cooperative purchasing agreements directly with one or more state agencies, departments of other states, or other governmental entities if SPD determines that agreement would be in the best interest of the State. • A compact or agreement may not be used for engineering or architecture purchases
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SPD Delegated Procurements

Delegated procurements are procurements where SPD may delegate specific authority to the department for:

- A pre-approved class of procurements types
- Procurements of a certain contract value
- Case-by-case consideration when requested

When possible, delegated purchases shall be accomplished through competitive bidding unless it is exempt. See the Summary of Minimum Requirements for Delegated Purchases in the State of Texas Procurement and Contract Management Guide.

Note: Procurements made under SPD’s delegation authority are subject to ESBD posting requirements as well as requirements to SPD Contract Advisory Team (CAT) and Quality Advisory Team (QAT) reviews.

Contract Value

Purchasing staff will be responsible for knowing minimum requirements for delegated purchases, which includes determining the contract value. Contract value is the estimated dollar amount that the department may be

obligated to pay and includes the cost of the following:

- The contract amount
- Proposed Amendments
- Extensions
- Renewals

Taxes

The department is exempt from state and city sales tax; however, there are some taxes the department is required to pay, such as state hotel occupancy taxes and telecommunications municipal taxes.

Purchasing staff will provide vendors with the Texas Sales and Use Tax Exemption Certification Form.

SPD Delegated Purchase by Rule

Purchasing staff will use the following table for information regarding delegated SPD procurements by rule that will offer the best value.

SPD Delegated Purchases by Rule	
Purchases of \$10,000 or less 'Spot Purchases'	<ul style="list-style-type: none"> • Use if the value of the purchase is \$10,000 or less • Competitive bidding is not required • May supplement the CMBL with non-CMBL vendors. <p>Note: Do not divide purchases in small amounts to avoid the bidding process</p>
One Time Purchases Not to Exceed \$50,000	Use for one-time purchases of goods such as goods for resale, supplies, materials, and equipment
Purchases of Services that do not exceed \$100,000	Use for services including services for resale, furnishing of skilled and unskilled labor or professional work. Excludes the following Services: <ul style="list-style-type: none"> • Professional or Consulting Services • Services of a department employee • Public Utility Services

Direct Publications	<ul style="list-style-type: none"> • Use to purchase publications directly from a publisher when they are not available through a statewide contract or competitive bidding • Computer software publications are subject to DIR oversight • If the value of the purchase is \$25,000 or less, no competitive bid is required <p>Note: Direct publication purchases must include the following statement on the PO "Direct Publication – Not available from any other source"</p>
Purchases of Perishable Goods	Use for goods subject to spoilage within a short time, including fresh fruit, fresh vegetables, and meat, fresh baked goods, and fresh dairy products

SPD Delegated Purchases by Rule	
Distributor Purchases	<ul style="list-style-type: none"> • Use for purchase of repair parts for unit of major equipment that is needed immediately or for maintenance contracts for medical equipment • A complete component such as an engine, transmission, or compressor does not qualify as repair parts for distributor purchases • Must be made from a dealer or distributor of the equipment being repaired or from the component manufacturer • Purchasing staff must verify prior to the purchase the installation of distributor parts will not void the equipment's warranty • Check the State of Texas Procurement and Contract Management Guide for a list of items not allowed for distributor purchases
Fuel, Oil, & Grease	<ul style="list-style-type: none"> • Use to purchase fuel, oil, and lubricant/grease purchases in bulk or packaged form • Includes gasoline, diesel fuel, kerosene, aviation fuels, transmission fluids, motor oil, and other lubricants, liquefied petroleum gas (LPG), and compressed natural gas • Lubricant solicitations should be based on firm prices or a discount from the vendors published price • Fuel pricing solicitations should be purchased in bulk using indexed pricing based on the vendor's terminal price, which is the cost per gallon for the

	<p>fuel from the refiner's depot</p> <ul style="list-style-type: none"> • See State of Texas Procurement and Contract Management Guide for details on indexed fuel pricing, using the State of Texas Fuel Card, and contracts for bulk fuel
<p>Internal Repair Purchases</p>	<ul style="list-style-type: none"> • Use for repairs to state-owned equipment where the extent of the work cannot be determined until the equipment is disassembled • Costs must contain labor and parts (when applicable) • Internal repairs are usually unexpected; however, if it qualifies as an emergency, it must be processed as an emergency purchase
<p>Emergency Purchases</p>	<ul style="list-style-type: none"> • Use when the department must make a quick procurement to prevent a hazard to life, health, safety, welfare, or property, or to avoid undue additional cost to the State • The department must save in the procurement file, the determination to declare the need for an emergency purchase • Emergency purchases of \$25,000 or more require a full written explanation to be sent to SPD along with supporting documentation and must be posted to the ESBD • All emergency purchases should be as competitive as possible under the circumstances and the minimum time for the solicitation does not apply but should be sufficient for the timeframe of the emergency purchase • Emergency purchases are still subject to SPD rules and procedures and SPD is available upon request to assist • Procurements are subject to CAT and QAT reviews and should not extend beyond the duration of the emergency. <p>Note: <i>Emergency purchases are not the same as purchases procured under the Texas Disaster Act of 1975.</i></p>

Procurement Specific Delegation Request to SPD (Open Market Requisition)

If a procurement is not addressed by SPD Rule, the Purchasing staff may submit a procurement specific delegation request to SPD as an Open Market Requisition (OMR). Requests for goods will be submitted via email to open.market@cpa.texas.gov and requests for services will be submitted through the Procurement Oversight and Delegation Portal.

SPD will review the request and will consider the department's established procedures to make a determination. Responses may take over 30 days, by which the department may not proceed with the procurement until receiving a letter of delegation from SPD.

Purchasing staff will use the following table for information regarding procurement specific delegation requests that will offer the best value.

Open Market Requisitions	
Delegation Requests for Goods over \$50,000	<ul style="list-style-type: none"> • Use for non-delegated purchases of goods with an estimated contract value of more than \$50,000 • Submit the delegation request as an OMR to SPD using the most current OMR form • If the request is denied, SPD will make the procurement on behalf of the department
Delegation Requests for Services over \$100,000	<ul style="list-style-type: none"> • Use for non-delegated purchases of goods with an estimated contract value of more than \$100,000 • Submit the delegation request and solicitation through the Procurement and Oversight Delegation portal • SPD will review the procurement from a contract management and business perspective • If the request is denied, SPD will make the procurement on behalf of the department

Step 4

Special Purchasing Processes or Programs

Emergency Purchases

Guidance

TGC §2155.137 and CPA Rule state that an agency may make an emergency purchase when there is “a hazard to life, health, safety, welfare, or property or to avoid undue additional cost to the State.” Emergency purchases should be rare and based completely on unforeseeable circumstances and should be made as competitive as possible. If it has been determined that an emergency exists, written determination of the basis of the emergency and selection of the vendor must be included in the procurement file. The purchase of goods or services should not exceed the duration or the scope of the emergency.

Procedures

- Determine what is requested to be purchased, the requested purchase is based on the requisition and by discussing project details with the end user
- Complete the Emergency Purchase Request Form to the designated signature authorities
- If it meets the threshold for an informal bid (\$10,000), send emails to obtain bids and keep the written justification in the procurement file
- If threshold is over \$25,000, this will have to go through formal bid process and post a solicitation for the necessary timeframe to address the emergency when possible
- Submit the written justification and the reason for posting less than 14 days in the ESBD (if applicable) to the SPD designated email address
- Complete the selection and award process as needed

Proprietary Procurement

TxDMV staff may request that the Purchasing Section procure a product/service that is proprietary to one vendor and that does not permit an equivalent product/service to be supplied. For Purchasing to make the

acquisition, the TxDMV Executive Director or designee (as indicated in the agency's Annual Procurement Plan) must sign a justification letter that becomes part of the PO file. A proprietary acquisition exceeding \$25,000 must be posted to the ESD for a minimum of 14 calendar days unless it is declared and posted as an emergency proprietary purchase. The written justification for a proprietary purchase must:

- Explain the business need for the specification, identifying what part of the specification restricts the purchase to one manufacturer
- State the business reason competing products/services are not satisfactory

Recurring (Scheduled) Services

Purchasing staff will consolidate requests for similar items for the purchase of services to obtain quantity price discounts and more favorable delivery times. State agencies are required to utilize scheduled purchases established by the CPA when available.

Reverse Auction Procedure

Purchasing staff may use the reverse auction procedure to procure goods and services. This procurement method involves vendors anonymously submitting bids to a specific scheduled internet location and time. Bidding time periods may last less than an hour or two weeks or less. Refer to the State of Texas Procurement and Contract Management Guide for more information on the reverse auction procedures.

SPD Texas Multiple Award Schedule (TXMAS)

Purchasing staff will use TXMAS government contracts to make purchases from previously competitively awarded SPD contracts. These contracts do not require SPD delegation authority, but do require following procedures to search TCI, the State Use Program, or Term Contracts first.

Purchasing staff will make a best value determination according to the following guidelines:

- If a purchase is no more than \$50,000, a PO may directly be awarded to an SPD TXMAS vendor without requesting prices from other vendors in the same category.
- If the purchase is over \$50,000, a price request from at least three TXMAS vendors should be submitted for the purchase

category.

Refer to the State of Texas Procurement and Contract Management Guide for more information on negotiating pricing, entering orders on Texas SmartBuy for TXMAS contracts, using offline sales, and purchasing incidental or off-schedule items.

Interagency Cooperation Contracts (IACs)

Purchasing staff may use an Interagency Cooperation Contract (IAC) when necessary and authorized services, materials, and equipment are needed from one or more other state agencies. A written agreement must be executed by authorized representatives of each participating agency and must specify the following:

- Type of services being provided
- Amount of the services being provided
- The basis for computing reimbursable costs
- Maximum cost during the contract term

And must certify:

- Services are necessary and essential and are in statutory functions of the agencies involved
- Arrangements serve the interest of efficient and economical administration of the agencies involved
- Services, supplies, or materials contracted are not required to be supplied by the lowest bidder
- The contract neither requires nor permits either party to exceed its duties and responsibilities or the limitations of its appropriated funds

IACs are not required for the following:

- An emergency for the defense or safety of the civil population or planning for those emergencies
- Cooperative efforts proposed by the governor

- Contracts not exceeding \$50,000

TxDMV may obtain services from other state agencies, institutes of higher education or other governmental entities regardless of dollar amount by an IAC or intergovernmental agreement. Competitive bidding is not required. Requests for interagency contracts for goods or services (where TxDMV is the Receiving Agency) needed to support agency business via a requisition submitted through CAPPs.

- If the total services received are anticipated to exceed \$50,000, the requisition must include a draft of the proposed contract, copy of a previous or similar contract or draft of the specifications/scope of services attached. Upon receipt of an approved Purchase Request and the contract draft, the Purchaser will coordinate final terms, legal review and contract execution with the Contract Specialists.
- If the total cost of services is expected to total less than \$50,000, the requisition must include a written scope of services and pricing that establishes a "not to exceed" amount prior to receiving services.
- Purchasing staff will work with all required TxDMV staff to ensure that required reviews are completed and the contract is fully executed.

NOTE: Contact the Purchasing Section for processing and execution of IACs where TxDMV is the Performing Agency.

Interlocal Cooperation Contracts

Purchasing staff may use an Interlocal Cooperation Contract with another local government to increase the efficiency and effectiveness of local governments working together and with other state agencies.

The interlocal contract must:

- Be authorized by each governing body of each party to the contract unless a party to the contract is municipally owned, then procedures for authorization will be followed by that governing body
- State the purpose, terms, rights, and duties of the parties
- Specify that each party paying for the performance of

governmental functions or services must make those payments from current revenues available to the paying party

State and Federal Surplus Property Programs

Purchasing staff will ensure that the business need is unable to be fulfilled by using the State and Federal Surplus Property Programs.

Surplus and Salvage Property

Surplus and Salvage Property is defined as furniture and equipment that would otherwise require capital funding to acquire. Such items may include, but are not limited to: furniture, artifacts, art, audio equipment, automation equipment (computer CPUs, monitors, hardware, drives, scanners, printers, other peripherals, software, etc.), books, chairs, communications equipment, desks, duplicating equipment, fax machines, heavy equipment, instructional equipment, light equipment and tools, machinery, office equipment, scientific equipment, tables, tools, vehicle maintenance equipment, vehicles, etc.

To better account for items coming in, out and through the agency, all requests for surplus shall be coordinated through the TxDMV Property Manager at 512-465-4100.

The TxDMV Property Manager must attempt to locate the needed item(s) through "in-house" resources first. If not available, the TxDMV Property Manager will arrange for the appropriate party(s) to visit State Surplus facilities. TxDMV staff may not visit State Surplus facilities without the TxDMV Property Manager or designee to obtain "real" property.

If the needed item can be obtained through State Surplus, the TxDMV Property Manager will coordinate the acquisition of the property through appropriate methods if under \$200. If the item to be acquired exceeds \$200, the TxDMV Property Manager will coordinate with the requestor and TxDMV Purchasing to acquire the "real" property.

If the needed item cannot be obtained through State Surplus, the TxDMV Property Manager will coordinate with the requestor and Purchasing for the submission of a requisition to obtain the item through standard procurement processes which requires coordination through the Chief Financial Officer or the Assistant Division Director of FAO.

Texas Disaster Act of 1975 (Government Code Chapter 418)

Purchasing staff may make a purchase under the Texas Disaster Act of 1975 if it clearly relates to a disaster declared by the Texas governor. Under these procurement procedures, the governor may suspend the provisions of any regulatory statute and may insert procedures that do not prevent or hinder the department's necessary actions to address a disaster.

Next steps after determining procurement method

Using the preceding Steps 1-4, the proper method for procurement should have been determined. The following five sections describe the procedures to follow for processing of Invitations for Bids (IFBs), Requests for Proposals (RFPs), Requests for Offers (RFOs), Requests for Qualifications (RFQs), and Department of Information Resources (DIR) Statement of Work (SOW).

Chapter 3.2

Competitive Bidding – Invitation for Bids

Purchasing staff will use the competitive bidding process whenever possible to procure goods and services. Competitive bidding can be informal or formal. The end user may contact Purchasing staff by email at Purchasing@txdmv.gov in order to obtain the latest version of the IFB template.

Informal Bidding – Purchases \$25,000 or less

Informal bidding is reserved for purchases not less than \$10,000 and not more than \$25,000. Informal bidding can be conducted in person, by direct mail, email, fax, or phone.

The following will apply to informal bids:

- Purchasing staff will provide three bid opportunities to active vendors on the CMBL within the NIGP class for the solicitation (including 2 HUB vendors).
- Vendors may be chosen in the geographical region that serves the end user.

Formal Competitive Bidding Process – Invitation for Bids (IFB) Procurements Exceeding \$25,000

An IFB is a formal written competitive sealed bid method used to obtain written bids. The following will apply to IFBs:

- Purchasing staff will draft an Invitation for Bids (IFB) for procurements with a total solicitation value exceeding \$25,000.
- The IFB will be posted to the Electronic State Business Daily (ESBD) with relevant NIGP class or class items code to solicit to vendors on the Centralized Master Bidders List (CMBL).

Best Value Determination

Negotiations are not permitted for competitive bids for IFBs unless there is only one qualified bidder, by which negotiations, including price, may occur if it does not result in a material change in the advertised specifications. If only

one bidder responds, the Purchasing staff may choose a proprietary procurement and must follow procedures for proprietary purchases.

The solicitation must specify that factors other than prices will be considered for best value determination, such as:

- installation costs;
- life cycle costs;
- the quality and reliability of the goods and services;
- the delivery terms;
- indicators of probable vendor performance under the contract such as past vendor performance, the vendor's financial resources and ability to perform, the vendor's experience or demonstrated capability and responsibility, and the vendor's ability to provide reliable maintenance agreements and support;
- the cost of any employee training associated with a purchase;
- the effect of a purchase on agency productivity;
- the vendor's anticipated economic impact to the State or a subdivision of the State, including potential tax revenue and employment; and
- other factors relevant to determining the best value for the State in the context of a particular purchase.

Chapter 3.3

Competitive Sealed Proposals - Request for Proposals (RFPs)

Request for Proposals

Purchasing staff will use the Request for Proposals (RFP) solicitation type when factors other than price are considered for the procurement and when negotiations are needed.

RFPs allow for elaboration on purchase requirements that are not easily detailed in a purchase order and allow for innovative ideas to be proposed by responsive vendors.

The following will apply to RFPs:

- SPD will decide if it will retain oversight for purchases of goods and services under SPD purchasing authority or if it will allow the department to retain oversight
- Purchasing staff will submit a delegation request for the procurement of goods over \$50,000 and services over \$100,000
- Purchasing staff will decide if Purchases under SPD delegation will require an RFP
- Purchasing staff will follow procedures for proprietary purchases if applicable
- Negotiations are allowed

The end user may contact the Purchasing staff by email at in order to obtain the latest version of the RFP template.

Best Value

Purchasing staff will specify in the solicitation the known factors, other than price, that will determine which proposal offers the best value.

Proposals will be written and awarded to the vendor determined to offer the best value considering the following:

- Price
- Past vendor performance
- Vendor experience or demonstrated capability

- Other evaluation criteria specified in the RFP

Chapter 3.4

Request for Offers (RFOs)

Request for Offers

Purchasing staff will use the Request for Offers (RFO) solicitation type when procuring Automated Information Services (AIS) rather than under the DIR IT commodity program or for any other procurement where RFOs provide the best value.

The following applies to RFOs for AIS procurements:

- DIR must confirm in writing that the procurement is not available for purchase under an existing DIR contract or Purchasing staff must know the purchase is exempt according to Texas Government Code
- Purchasing staff will solicit vendors by posting an RFO to the ESBD where required and will evaluate, select, negotiate as appropriate, and contract directly with one or more qualified vendors
- Contract Advisory Team (CAT) and Quality Advisory Team (QAT) requirements may apply

Best Value

Purchasing staff will select the vendor with the lowest overall cost of an AIS and will use factors listed in the State of Texas Procurement and Contract Management Guide.

Chapter 3.5

Request for Qualifications (RFQ)

Request for Qualifications

Purchasing staff will use Request for Qualifications (RFQs) to solicit professional services. The following applies to the RFQs:

- Purchasing staff will provide very clear specifications and information on what services are expected from the vendor
- Responsive vendors must submit proposals including their qualifications showing they are able to perform the specified work
- Purchasing staff will review vendor responses to determine if specified qualifications are met
- Purchasing staff will begin price negotiations once the preferred qualified vendor is selected by the evaluation team. If Purchasing staff are not able to make an agreement with the initial selected Vendor, the Purchasing staff may proceed negotiations with the next qualified vendor that submitted a proposal.

Qualifications Based Determination

Purchasing staff will consider qualifications when selecting the vendor instead of best value. Price is not a factor until after the vendor is selected.

Chapter 3.6

Department of Information Resources (DIR) **Statement of Work (SOW)**

DIR Cooperative Contracts Program

The Department of Information Resources (DIR) develops master contracts for IT commodity items and maintains a catalog of active contracts on the DIR website for contracts in the [Cooperative Contracts Program](#). The end user may contact the Purchasing staff by email at Purchasing@txdmv.gov in order to obtain the latest version of the SOW template.

The department must prepare and submit a DIR Statement of Work (DIR SOW) for certain DIR contracts that exceed \$50,000. Reference the State of Texas Procurement and Contract Management Guide for a list of DIR contracts/services that require an SOW to be submitted and approved by DIR prior to issuing a solicitation. A DIR SOW executed by the department for an IT commodity or service without being signed by DIR first is not valid and money may not be paid to the Vendor. The TxDMV purchaser and end user must work with OGC to review the DIR SOW.

Statement of Work

Purchasing staff will prepare and submit the DIR SOW to DIR for review at least 30 days before the anticipated submission to the identified Vendors.

The following will apply to DIR SOW requests:

- Purchasing staff will ensure all required information is included in the DIR SOW and will list which DIR cooperative contracts will be targeted for advertisement.
- Purchasing staff may not submit the DIR SOW to Vendors until DIR has issued a written approval. DIR may request modifications to the DIR SOW before it will issue an approval.
- A DIR approval is only validating that the DIR SOW will achieve the department's goals and outcomes, that there is sufficient funding available, and that the department has chosen the right procurement method and Vendor. DIR SOW approvals do not

- indicate that DIR is a participating party in the contract agreement.
- The department may also ask to expedite a request for review and signature (with a turnaround of 3 business days) of a DIR SOW for unforeseeable circumstances that are not considered an Emergency Purchase. An expedited review request requires executive director approval.
 - Once the DIR SOW is solicited and executed by the vendor and the department, it must be re-submitted to DIR for approval and signature. The Purchasing staff will then issue a PO and post it to the department's website according to DIR guidelines.

Exemptions

When applicable, Purchasing staff may request an exemption from using a DIR contract to purchase IT commodity items by utilizing the following [exemption methods](#):

- Blanket exemptions
- One-time exemption request
- LBB approval

Chapter 3.7

Drafting the Solicitation and Review

Solicitation Templates

Purchasing staff will draft and post solicitations depending on the solicitation type (IFB, RFP, RFQ, RFO) and guidelines listed in the State of Texas Procurement and Contract Management Guide.

FAO Purchasing solicitation templates include required information depending on the solicitation type and will be based on the Project Requirements and Need Assessment.

Templates will include information on key solicitation events including:

- The date the solicitation is issued
- When the Pre-Bid, Pre-Offer, or Proposal conference will be held, if applicable
- Due date for written questions
- Date the department will issue written answers
- Due date for responses
- The anticipated date the contract services will begin

Templates will vary depending on the procurement, and will include the following:

- Minimum vendor qualifications
- Scope of work
- Payment and pricing terms
- Contract terms and termination date
- Response submission requirements
- HUB Subcontracting Plan (HSP) requirement
- Evaluation criteria

Procurement Lead Times & Internal Calendar of Events

Purchasing staff will consider the time it will take once the requisition is submitted until the contract is awarded. This time will vary depending on the specific procurement requirements, internal department procedures for review and approval, the time drafting the contract, and the complexity of the procurement.

Factors that may impact the procurement lead time include:

- Development of the scope of work, if necessary
- The length of time required to post a solicitation
- The time needed to evaluate proposals
- The time needed to complete negotiations, if applicable
- How involved the contract formation may be considering the contract type

Purchasing staff will develop an internal calendar of events for each procurement, as needed, to capture timeframes and deadlines for each procurement step through the contract end date. Staff can utilize the template for determining procurement lead times.

Reviews and Approvals

Contract Advisory Team (CAT) Reviews

The Contract Advisory Team (CAT) is a CPA interagency oversight team comprised of the Statewide Procurement Division (SPD) and the Department of Information Resources (DIR) that assists state agencies in improving contract management recommendations on solicitations for contracts with an estimated value of at least \$5 million.

The following applies to CAT Reviews:

- Purchasing staff will send solicitations with an estimated contract dollar amount of \$5 million or more to CPA's CAT regardless of the procurement method

- Once solicitations are submitted to the Procurement and Oversight Delegation Portal, it can be anticipated that reviews may take up to 30 days to complete, if the request is not expedited
- Purchasing staff are required to respond to the CAT review where needed and may have to issue additional information, if requested
- Solicitations for CAT reviews may not be posted until the CAT review is approved

Quality Assurance Team (QAT) Reviews

The Quality Assurance Team is another CPA interagency team comprised of SPD and DIR that provides ongoing oversight to reduce risk of project overruns and failures of major information resources projects that receive appropriations from the State.

Purchasing staff must notify the QAT when advertising any solicitation associated with a major information resources contract regardless of the procurement or solicitation method.

This includes procurements that are:

- Specifically designated as such by the Legislature in the General Appropriations Act
- Identified in the department's biennial operating plan whose development costs exceed \$5 million and
 - Requires one or more years to reach operation status
 - Involves more than one state agency
 - Substantially alters the work methods of the department personnel or the delivery of services to clients

If the solicitation is over \$10 million for a major information resources contract, the department will develop an Acquisition Plan that will outline service levels, performance standards and methods for change control for each contractor.

Refer to the State of Texas Procurement and Contract Management Guide and the QAT Assurance Team Policy and Procedures Manual.

QAT and LBB Review of Non-Cloud Computing Service Option

Purchasing staff making purchases for an Automated Information System (AIS) or major information resources projects where it is determined the department is unable to purchase a system or project capable of being deployed or run on cloud computing services must submit a report 14 days prior to the solicitation to describe the purchase and the department's reasoning for making the purchase according to the following:

- Submit to the Legislative Budget Board (LBB) for AIS procurements
- Submit to the QAT for major information services

Chapter 3.8

Advertising Solicitations

The following outlines procedures in sequence for Purchasing staff to draft and post solicitations for department procurements.

Drafting and Posting Solicitations

- Purchasing staff will submit draft solicitation documents to the end user and other identified stakeholders (may include OGC or IT) for review and comment until the draft is finalized
- Once the solicitation is finalized within department, the Purchasing staff will submit the draft for external review based on the solicitation type and dollar value threshold, as applicable
- The external review team will review the solicitation within 30 days and will provide comments back to the department
- Purchasing staff will address comments with the end user, if needed
- Once all comments are addressed and all approvals are received, the Purchasing staff will post the solicitation based on the procurement method and or dollar threshold requirements (ESBD and or Texas Register)
- Purchasing staff will download the list of CMBL Vendors and will send an email to notify them of the solicitation posting. Staff should notify all CMBL vendors under any applicable class code for the solicitation, and should not limit it to the class-item code list only.
- Purchasing staff will save the final draft as a pdf in a designated folder in the division's shared drive and upload a copy to CAPPS

Purchasing staff will follow posting requirements to advertise department solicitations according to the guidance listed in the *State of Texas Procurement and Contract Management Guide*, which will include obtaining all necessary reviews and approvals.

Computing Time

The first day the solicitation posted is not considered to compute the number of days posted, but the last day is included.

If the last day falls on a Saturday, Sunday, or legal holiday, the posting period is extended to include the next day that is not a Saturday, Sunday, or legal holiday.

Solicitations can be posted beyond the minimum timeframes. Purchasing staff are encouraged to consider the complexity of the contract and other variables including the Historically Underutilized Business (HUB) Subcontracting Plan (HSP) requirement when deciding the number of days, the solicitation is posted.

Note: The procurement becomes void if the department violates the minimum posting time.

Texas Register

Purchasing staff will follow posting requirements for certain procurements that are to be posted to the Texas Register, which is maintained by the Secretary of State (SOS). Refer to the *State of Texas Procurement and Contract Management* Guide as well as current legislation to determine which procurements meet this requirement.

The Texas Register notice is in addition to the ESD, where applicable, and the notice must be placed in the procurement file.

Centralized Master Bidders List (CMBL)

Purchasing staff will use the Centralized Master Bidders List (CMBL), which is a CPA online directory of registered vendors, to select bidders for competitive bids or proposals for purchases that are exempt for SPD's purchasing authority.

The following applies:

- Purchases between \$10,000 and \$25,000 must solicit a minimum of three active vendors on the CMBL, including two certified HUBs.

- Purchases over \$25,000 must solicit to each eligible vendor on the CMBL list that serves the geographical region for any applicable NIGP codes for the solicitation. Staff should use lists for vendors based on the three-digit NIGP class code for each applicable code and notify all applicable vendors.

Electronic State Business Daily (ESBD)

Purchasing staff will post procurements with a contract value more than \$25,000 to the Electronic State Business Daily (ESBD), which is the State's online directory that lists procurement opportunities.

Solicitations are posted at a minimum for 14 calendar days depending on the complexity. Procurements including the entire solicitation package have a minimum posting time of 14 days. Procurements that do not have the entire solicitation package must be posted a minimum of 21 days and must include the following information:

- A brief description of the goods or services to be procured and the corresponding service codes
- The last date that bids, proposals, and offers will be accepted
- The estimated quantity of goods and services to be procured
- The previous price paid by the agency for similar goods and services, if applicable
- The estimated date the goods and services will be needed
- The department contact information and contact person who will be responding to inquiries.

Posting in ESBD

To post a solicitation, follow the instructions and screen shots below:

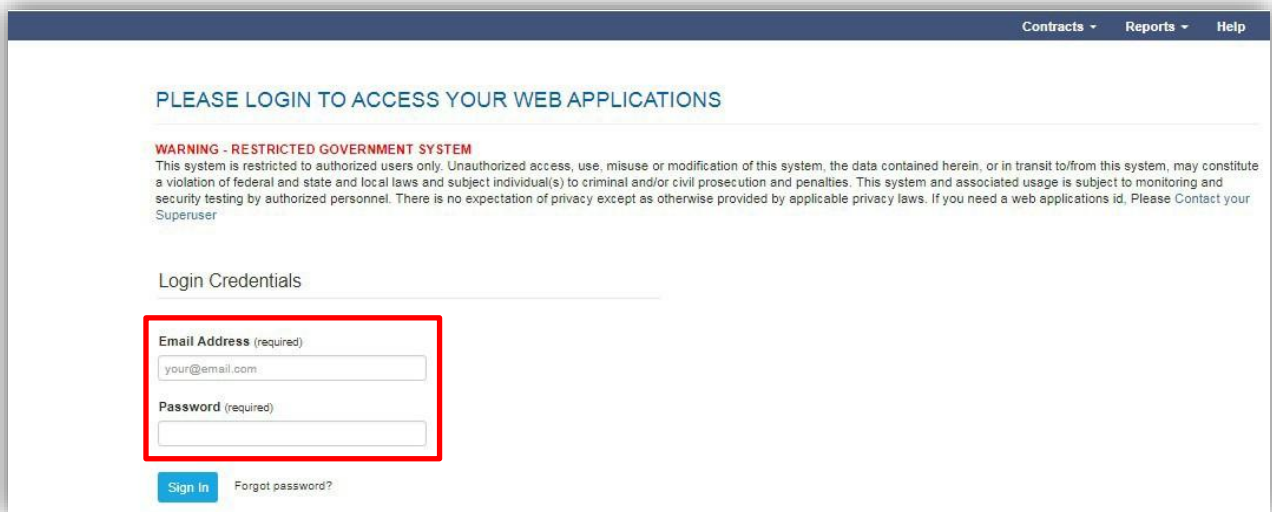
The Purchasing staff will log in to the new CPA Portal to access the application. Your agency superuser can provide access, or you may contact the SPD Outreach Team for assistance.

Requirements before bid solicitation entry:

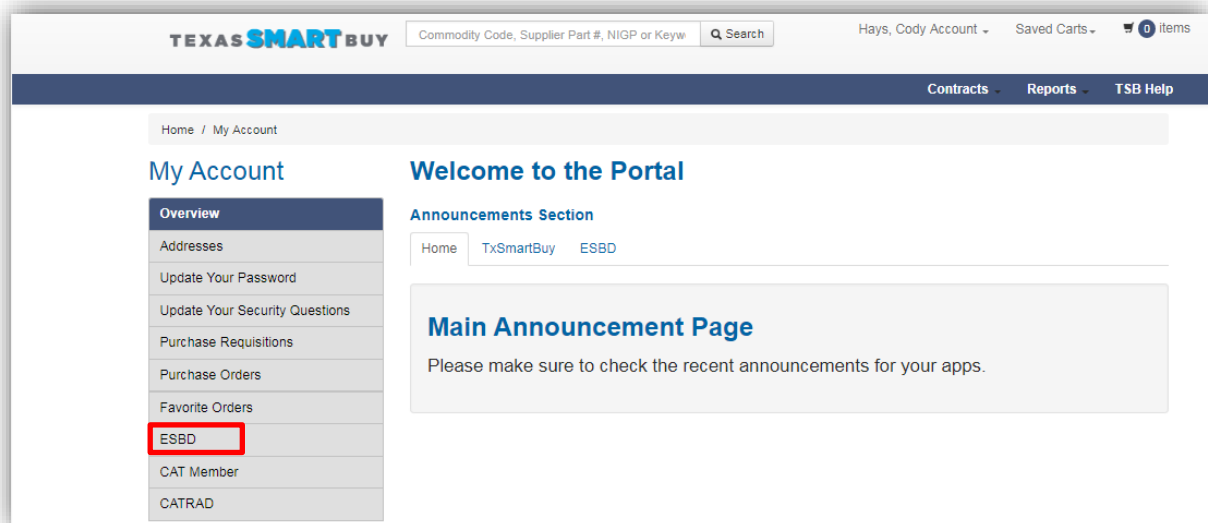
- Identify your NIGP class/item code(s)
- Save your solicitation documents to your computer

Step-by-step instructions

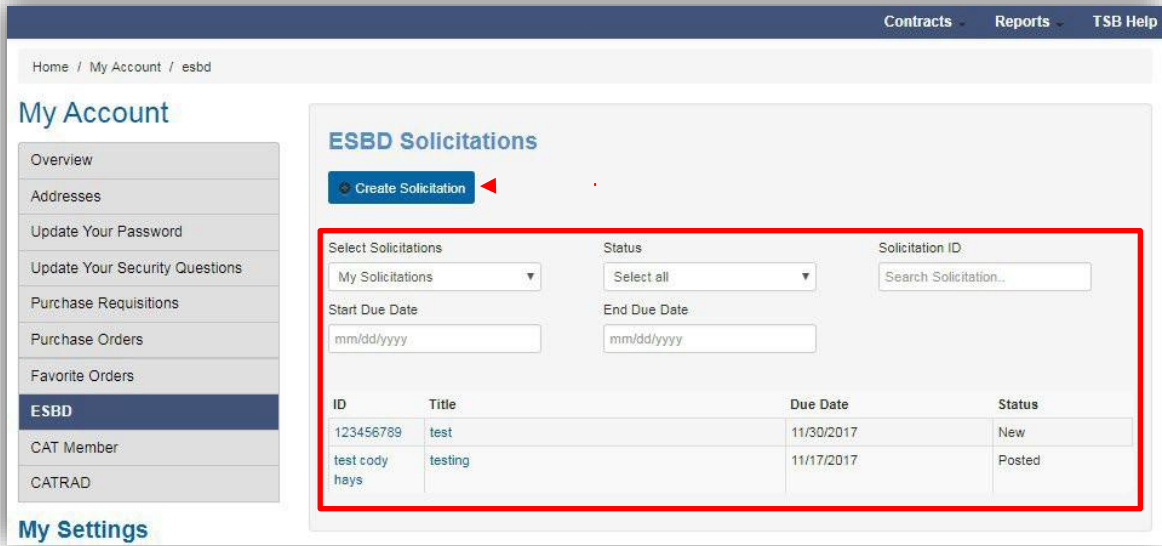
1. Go to TxSmartbuy.com to login to the Portal and click the **Sign In** button. Enter your login credentials to begin.



2. Once you login, you'll be on the My Account page. Select the ESBD app on the left.



- You can view and search posts submitted by you or your entire agency, as well as view the status. To post a solicitation, click **Create Solicitation**.



- Users will answer the preliminary questions prior to advancing to the next step. Depending on your answers, you will proceed to post to the ESB D or redirect to the CATRAD application as required by statute (state agencies only). If your solicitation is part of a Major Information Resources Project (MIRP), you'll be routed to the CATRAD application. Click **Create Solicitation** to proceed.

Preliminary Questions

Is this solicitation part of a major information resource project?

Yes No


Solicitation Amount (Total Contract Value, Initial or Renewal)

Does the solicitation contain 900 series NIGP Codes?

Yes No

Have you completed an Open Market Request?(If Applicable)

Yes No N/A



5. Create your solicitation notice by filling out the required fields. Click **Next** to proceed.

Home / My Account / esbd

Contracts - Reports - TSB Help

My Account

- Overview
- Addresses
- Update Your Password
- Update Your Security Questions
- Purchase Requisitions
- Purchase Orders
- Favorite Orders
- ESBD
- CAT Member
- CATRAD

My Settings

Profile
chay231@cpa.texas.gov

Contact Superuser
My Agency Superuser Information List

ESBD Create New Solicitation

Step 1: Create Solicitation Notice Step 2: Add NIGP Class/Item Codes Step 3: Upload Solicitation Document

Create Base Solicitation Notice

Organization Number:
304

*Solicitation ID Number:

*Posting Requirements:
-- Please Select --

*Solicitation Posting Date:
11/03/2017


*Response Due Date:

*Response Due Time:
Hours minutes AM

*Title(Headline):

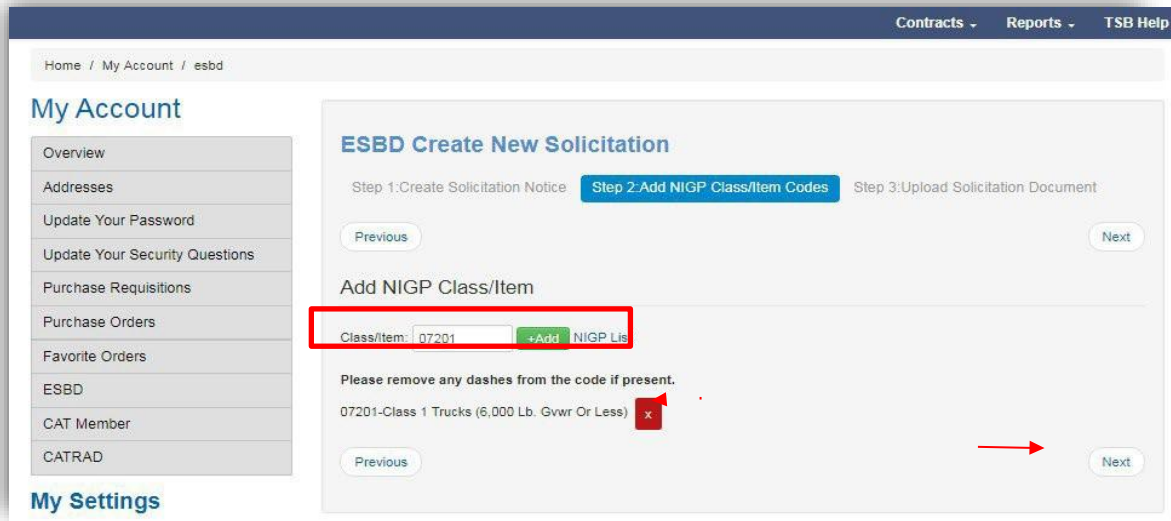
*Description (1500 Characters):

Note: Point of contact information to be referenced in attached documentation.

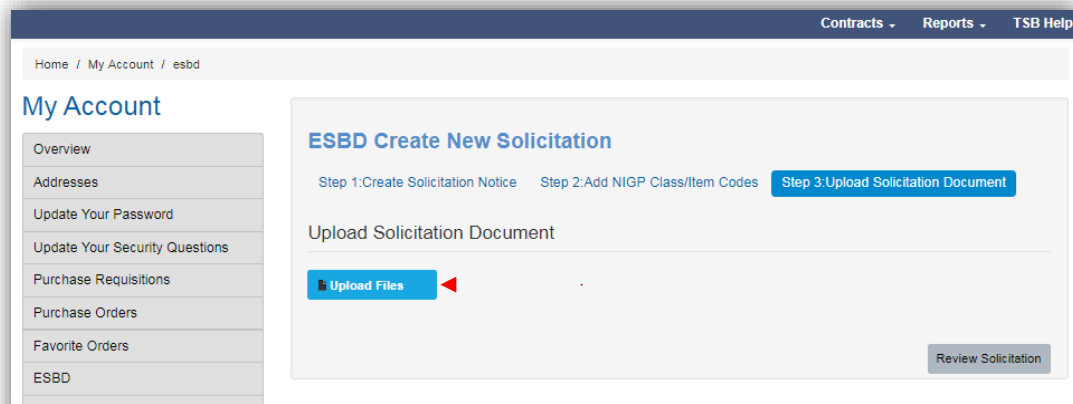


6. Enter the appropriate NIGP class/item code(s) and click **Add** to apply them to your posting. You may add as many NIGP codes as necessary.

Click the red 'X' to remove any commodity codes. Click **Next** to proceed or **Previous** to go back to step 1.



7. Click **Upload Files** to attach your solicitation documents.



8. Use the drop-down to select the number of files to upload. Click **Next**.

File(s) Upload System

STEPS

- 1 Number of Files
- 2 Upload File on the File Cabinet

Number of Files
Please select how many files you need to upload

Files Number

9. Click **Choose File** to locate your solicitation document(s). Enter a brief description for the file contents. Click **Finish** when complete.

File(s) Upload System

STEPS

- ✓ 1 Number of Files
- 2 Upload File on the File Cabinet

Upload File on the File Cabinet
Select the file(s) you want to upload

Select File ESBDManual.pdf

Description 1 Specifications, Addendum, Price Sheet

10. Once complete, you will close the window to return to your posting.

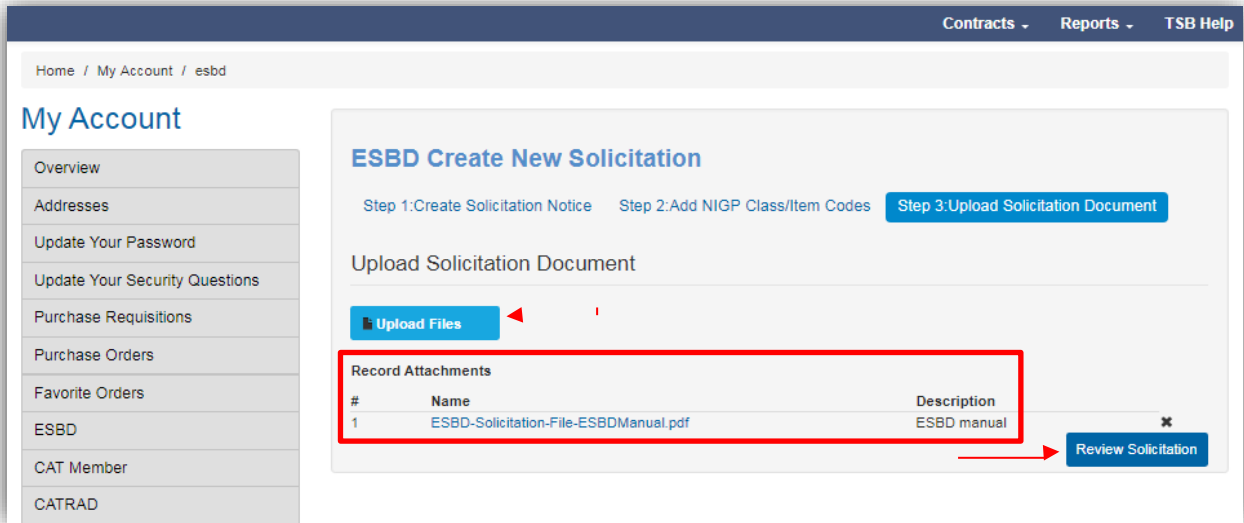
File(s) Upload System

STEPS

- ✓ 1 Number of Files
- ✓ 2 Upload File on the File Cabinet

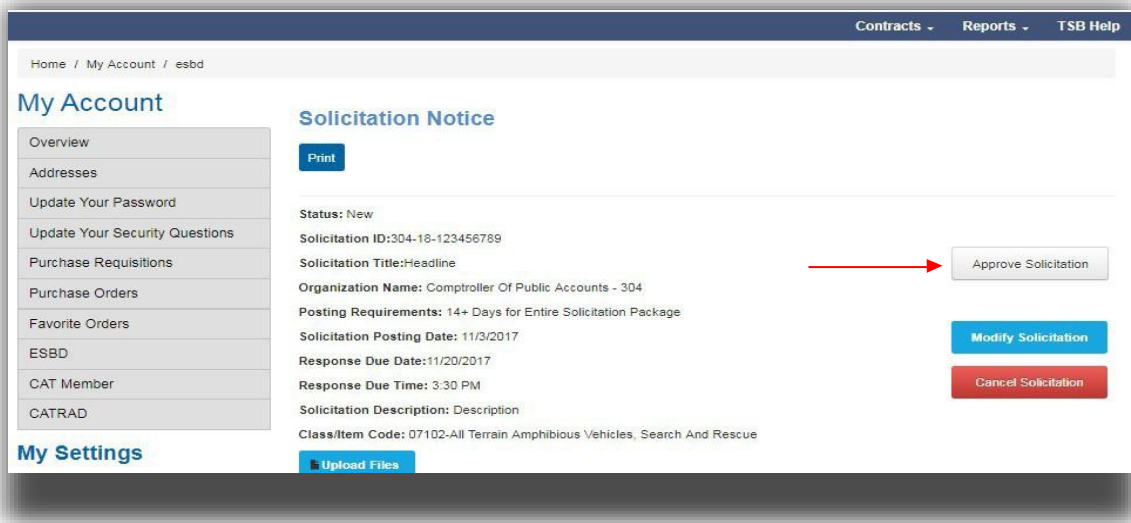
Finished
Upload Finished. You may now close this window

- Once your files are uploaded, you will see them at the bottom of the screen. You can continue to upload additional files, remove files or click



Review Solicitation to proceed.

- You can review your posting and attachments, add/remove attachments, print, cancel the solicitation, modify or approve. Click **Approve Solicitation** to go to the final screen (your posting will be publicly available depending on the Solicitation Posting Date that was entered on page 3).



- On the final screen, you can still cancel or modify the posting. You will receive an email receipt of your posting along with a direct link.

Home / My Account / esbd

Contracts - Reports - TSB Help

My Account

- Overview
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- Update Your Password
- Update Your Security Questions
- Purchase Requisitions
- Purchase Orders
- Favorite Orders
- ESBD
- CAT Member
- CATRAD

My Settings

Solicitation Notice

[Print](#)

Thank you for using the ESBD, your bid solicitation entry is now complete

Status: Posted

Solicitation ID: 304-18-123456789

Solicitation Title: Headline

Organization Name: Comptroller Of Public Accounts - 304

Posting Requirements: 14+ Days for Entire Solicitation Package

Solicitation Posting Date: 11/3/2017

Response Due Date: 11/20/2017

Response Due Time: 3:30 PM

Solicitation Description: Description

Class/Item Code: 07102-All Terrain Amphibious Vehicles, Search And Rescue

[Modify Solicitation](#)

[Cancel Solicitation](#)

14. Your solicitation will also be listed on your ESBD **My Account** page, including the status.

Home / My Account / esbd

Contracts - Reports - TSB Help

My Account

- Overview
- Addresses
- Update Your Password
- Update Your Security Questions
- Purchase Requisitions
- Purchase Orders
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- ESBD**
- CAT Member
- CATRAD

My Settings

ESBD Solicitations

[Create Solicitation](#)

Select Solicitations:

Status:

Solicitation ID:

Start Due Date:

End Due Date:

ID	Title	Due Date	Status
304-18-123456789	Headline	11/20/2017	Addendum Posted
12345678967654321	Headline	11/21/2017	Cancelled
123456789	test	11/30/2017	New
test cody hays	testing	11/17/2017	Posted

My Account

- Overview
- Addresses
- Update Your Password
- Update Your Security Questions
- Purchase Requisitions
- Purchase Orders
- Favorite Orders
- ESBD
- CAT Member
- CATRAD

My Settings

Profile
chav231@cpa.texas.gov

Solicitation Notice

[Print](#)

Status: Closed

Solicitation ID: 12379

Solicitation Title: oct 9

Organization Name: TxCPA Agency for Testing - 54321

Posting Requirements: 21+ Days for Solicitation Notice

Solicitation Posting Date: 10/9/2017

Response Due Date: 11/3/2017

Response Due Time: 3:00 PM

Solicitation Description: test

Class/Item Code: 31000-Envelopes, Plain (See Classes 525, 615, 640, 655, 665, And 966 For Other Types)

Record Attachments

#	Name	Description
1	ESBD-Solicitation-File-sunflowers.jpg	sunflower patch
2	ESBD-Solicitation-File-waylonwednesday.jpg	waylon

[Award](#)

15. To post the Award, look in your solicitations list for a status of "Closed." Click the solicitation ID or the title to open the solicitation. Click **Award**.

16. Use the Solicitation Status drop-down to select the type of award. Enter the contractor information in the fields provided. Click the green button to add fields for multiple contractors and click the red button to remove additional fields. Click **Submit** to post the award notice.

My Account

- Overview
- Addresses
- Update Your Password
- Update Your Security Questions
- Purchase Requisitions
- Purchase Orders
- Favorite Orders
- ESBD
- CAT Member
- CATRAD

My Settings

Profile

ESBD Award Notice

Agency Name: TxCPA Agency for Testing - 54321

Agency Number: 304

Solicitation Title: oct 9

Solicitation ID: 12379

Solicitation Status: Please Select

Contractor Name	Mailing Address	Value Per Contractor	Hub Status	Award Date
<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	Select <input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	Select <input type="text"/>	<input type="text"/>

[Submit](#)

After clicking Submit, a confirmation screen will appear, and the process is complete.

Chapter 3.9

Communication with Responding Vendors

Communicating with Vendors

Purchasing staff will communicate with responding vendors through methods listed in the solicitation, including pre-proposal conferences and/or Question and Answer (Q&A) process. Important information regarding the details of the procurement process and specifics about the services and goods being procured will be communicated.

Purchasing staff are designated as the primary point of contact for the solicitation and are the only department representative to communicate with responding Vendors.

Purchasing staff will follow compliance guidelines listed in the *State of Texas Procurement and Contract Management Guide* on how to respond to vendors.

Pre-Proposal Conferences

Purchasing staff will determine if a pre-proposal (or pre-bid, pre-offer) conference is needed before the solicitation deadline.

The following will apply to pre-proposal conferences:

- These can be mandatory or non-mandatory
- Carefully consider the project needs to determine if the pre-proposal conference is mandatory as it may limit the response pool
- Pre-proposal conferences should be held no earlier than 10 days after the solicitation has been posted
- Information about the pre-proposal conference should be in the solicitation and should include:
 - Date
 - Time

- Location
- If the Pre-Proposal Conference is mandatory or non-mandatory.

See Pre-Bid/Offer/Proposal Conference Guidelines found in the *State of Texas Procurement and Contract Management Guide*.

Complex solicitations may require a Pre-Proposal Conference. The following will apply for department staff involved in pre-proposal conferences:

- Purchasing staff will:
 - Create the agenda and will facilitate the Pre-Proposal Meeting
 - Ensure time is provided on the agenda for key department stakeholders which will include the end user and the Historically Underutilized Business (HUB) Coordinator or Assistant HUB Coordinator
 - Review required procurement documents as listed in the solicitation
- The HUB Coordinator will review the HUB Subcontracting Plan (HSP) and answers any HUB related questions
- The end user will review complex areas of the solicitation with TXDMV purchaser and vendor(s)

Question and Answer Period

The Purchasing staff will coordinate and facilitate the Q&A listed in the solicitation to clarify information based on questions submitted by vendors.

The following will apply to Purchasing staff to do the following to facilitate the Q&A:

- Create a document that compiles each question as it was written verbatim by the submitting Vendor
- Remove the name and all identifying information from the submitting vendor before publishing
- Respond to each question even if questions are similar in nature
- Be sure to answer redundant questions the same, consistently or refer to the first occurrence that the question was answered
- Consult with department Subject Matter Experts (SMEs) to answer

subject specific questions, when needed

- Identifying vendor information will be removed
- Publish Q&A to the ESBD or the Texas Register as applicable

Purchasing staff will do the following to conduct the Q&A for solicitations:

- Purchasing staff will collect the questions submitted by the vendors based on the deadline listed in the solicitation
- Purchasing staff will coordinate with the end user and other identified stakeholders, including the Office of General Counsel (OGC) when needed, to respond to all vendor questions regarding solicitation terms
- Purchasing staff will post the responses to the questions as an addendum. The addendum which will be submitted to the ESBD and the Texas Register (if applicable) and will also send to the TxDMV purchaser to email the vendors who submitted questions to notify them the Q&A has been posted.

Addenda (reference Addendum template)

Purchasing staff may have to post addenda to the solicitation for the following reasons:

- There are considerable changes to the solicitation before the response due date
- To clarify an ambiguous provision
- To correct an error or oversight
- To extend the response due date
- To alter a public opening date

Addenda must be posted in the same manner as the solicitation and consideration should be taken to ensure the response due date is adequate to allow vendors to respond.

Chapter 3.10

Receiving Solicitation Responses

Purchasing staff will follow outlined procedures based on department procedures and the instructions listed in the *State of Texas Procurement and Contract Management Guide* to receive solicitation responses, cancel solicitations, and if applicable, publicly open sealed bids.

Receipt of Proposals, Bids, and Offers

Purchasing staff will follow department procedures to receive proposals, bids, and offers from vendors responding to solicitations.

Department procedures will address the following to include:

- Document receipt of proposals, bids, and offers
- How to handle responses opened in error
- How to handle late responses
- Purchasing staff will use the following guidelines to ensure vendor responses are received according to the submission requirements listed in the solicitation, including that:
 - Responses must be received before or on the published due date and time designated in the solicitation
 - Responses should not be opened or viewed before the published due date and time
 - If responses are opened in error or to confirm identification because of not being properly labeled, the purchasing staff will ensure the opened response is resealed, dated and signed by the person who opened it and the envelope will be marked as "Opened in Error" or "Opened to Determine Content"
 - Purchasing staff will keep all responses in a designated secure location until the published due date and time
 - Late responses received after the published time and date will be time stamped, remain unopened, and will be disposed of or returned to the respondent
 - Any exceptions for late responses include:
 - The only exception to the prohibition against accepting a

late response is if an agency's written internal policy permits the acceptance of a late response due to extenuating circumstances.

- Receipt of only one vendor response to the SOW and no other responses were received on time
- Closure due to inclement weather or another emergency
- Any other situation will be reviewed and approved by OGC
- Responses not submitted according to the solicitation are disqualified.

Publicly Opening Sealed Bids

In the rare circumstance that bids are publicly opened, the Purchasing staff will use the following guidance:

- The date, time, and location of the public open must be clearly stated in the published solicitation
- The minimum information shared at the public open includes:
 - The solicitation number
 - The name of each respondent
 - Price of each item number (If evaluated on objective criteria)

Response Withdrawals

Vendors can withdraw their responses before the closing date and time of the solicitation. Vendors may make a request to withdraw by the following:

- Submit a written request on company letterhead
- Submit the withdrawal in person with appropriate identification
- Withdrawal by mail or fax if department requirements to prove legitimacy and identification are met

Cancelling the Solicitation

Purchasing staff will cancel solicitations by posting a notice in the same manner the solicitation was initially issued. Solicitation cancellations must include the following information:

- Department name, business address, and contact name

- Purchase requisition or solicitation number
- Reason for the cancellation

Chapter 4

Vendor Selection

Purchasing staff will facilitate the vendor selection process by conducting an administrative review of the responses received for posted solicitations. Qualifying responses will be evaluated using the Bid Tabulation process or the Evaluation Team process.

Administrative Review

Purchasing staff will perform an administrative review on each response submitted by the deadline to ensure responses have met the requirements listed in the solicitation. Administrative reviews are performed to identify responsive Vendors that can be evaluated.

Purchasing staff performing an administrative review will include the following guidelines:

- Verify minimum qualifications are met and all required forms and documents are included
- Consult with the Office of General Counsel (OGC) if there is a question or issue regarding a vendor's response
- Use a checklist or administrative review log to record the results of each response (reference template)
- Disqualify unsigned responses
- Ensure vendors providing technical assistance for the solicitation do not respond to the same solicitation

Purchasing staff will use the following guidelines for administrative reviews:

- After the solicitation deadline, review all vendor proposals submitted on time to ensure all requirements are met and required documents have been submitted
- Use template(s) to record relevant information regarding submitted responses

- Purchasing staff will submit proposals to the Historically Underutilized Business (HUB) Coordinator or Assistant HUB Coordinator for review and approval to ensure the vendor has made a good faith effort to meet the HUB requirements, if a HUB Subcontracting Plan (HSP) was included
- Purchasing staff will send a notice of disqualification for proposals not meeting all solicitation requirements
- The HUB Coordinator or Assistant HUB Coordinator sends disqualification notices to vendors not meeting the HSP requirement.

Bid Tabulation Evaluation Process

Purchasing staff will use the Bid Tabulation evaluation process for bids being evaluated solely on objective criteria. Bids should be tabulated when they are opened, however, bids should, at minimum, be tabulated within 3 business days after the due date.

Purchasing staff will have a peer review performed to ensure bids are tabulated correctly. All needed conflict of interest forms are completed and OGC is notified of any actual conflicts of interest.

Evaluation Team Process

Solicitations for RFQ, RFP, and RFOs may use an evaluation team to select the vendor.

Evaluation Team

The Evaluation team is comprised of department and external stakeholders and subject matter experts (SMEs) with relevant expertise and knowledge of the product or service being procured. Team members may be identified during the planning phase and should be organized before responses are received.

There should be no less than three scoring members on an evaluation team. Purchasing staff will serve as a non-scoring member. Members will independently review and assess each response using the criteria listed in the published solicitation and will complete a scoring sheet to record their evaluations.

Evaluating Responses

Purchasing staff will hold an Evaluation Team Kick-Off Meeting with the evaluation team and provide instructions as to how to evaluate responses and complete the scoring matrix (listed in the Project Requirements form for the procurement).

Price Component Evaluation

Purchasing staff may score price criterion when the procurement involves a mathematical formula such as in an IFB; however, the evaluation team will review the scores and enter response, including the price to facilitate a more comprehensive evaluation of the response and to ensure pricing aligns with the products and services being procured.

Oral Presentations and Best and Final Offers

Depending on the solicitation, oral presentations may be included in the evaluation process. The following applies to oral presentations:

- Oral presentations may be applicable for all respondents or for the top ranked respondents after initial responses are evaluated
- The evaluation team may prepare a list of clarifying questions for presenting respondents
- Respondents should be allowed the same amount of time and agenda format
- The evaluation team may draw names for presentation order
 - Purchasing staff will provides a scoring matrix that is used to evaluate oral presentations using the evaluation criteria and weights published in the solicitation
 - The same evaluation team that evaluates written responses should also be the same team to evaluate oral presentations
 - Once oral presentations and discussion (if applicable) are complete, the Best and Final Offer is requested from respondents, if needed

Evaluation Team Vendor Recommendation

The team will do the following to recommend the awarded Vendor:

- Purchasing staff will prepare, sign, and date the master scoring matrix and provide the end user with the Recommendation to Award
- The team chair will complete the Recommendation to Award

listing the highest ranked Vendor or Vendors (if the solicitation allows more than one award) without discussion or tentatively depending on completion of successful negotiations

- Each evaluation team member should review the master score sheet to ensure accuracy of the final scoring.

Preferences and Ties

Purchasing staff will follow the guidance listed in the *State of Texas Procurement and Contract Management Guide* to consider Vendor preferences and resolving tie bids.

The following process will apply:

- If two or more vendors receive the same score after evaluations, the selection goes to the Vendor with claimed preference in priority order
- If two vendors receive the same score after evaluation and preference is not a factor, the Purchasing staff will flip a coin to decide the selected vendor. OGC will witness and document the coin toss
- If more than two vendors receive the same score after evaluations, and preference is not a factor, the Purchasing staff will draw names to decide the selected vendor. OGC will witness and document the name drawing.

Vendor Eligibility Checks

Purchasing staff will check to ensure the selected Vendor is eligible to do business within the State by conducting all required vendor compliance checks. Reference the State of Texas Procurement and Contract Management Guide and the PO Checklist for list.

Procurement Certification and Vendor Notification

Once it is verified that the vendor is eligible to receive the award, the Purchaser will submit the procurement file to the Purchasing Director or designee. Purchasing staff will notify the vendor of the award once the procurement is certified.

Chapter 4.1

Procurement Certification and Vendor Notification

The following outlines procedures for the Purchasing Director to certify the procurement and Purchasing staff to notify the selected Vendor of the procurement award.

Procurement Certification

Once the Purchasing staff verifies the Vendor is eligible to receive the award, the Purchaser will submit the procurement file to the Purchasing Director or Contract Manager who will certify the procurement within 7 days.

The Purchasing Director also has the authority to delegate the procurement certification responsibility to Purchasing staff who possesses at least a Certified Texas Contract Manager (CTCM) certification.

The Purchasing Director or delegated designee will do the following in the order specified to certify the procurement file:

- Review the process and all documents used by the department to assess each vendor who responded to the solicitation
- Certify, in writing, that the department assessed each vendor's response to the solicitation using the evaluation criteria published in the solicitation and/or, if applicable, the written evaluation criteria established by the department
- Certify, in writing, the final calculation of scoring responses was accurate
- Justify, in writing, any change in the scoring of a vendor that occurs following the initial assessment and scoring of responses was appropriate
- Return the certification to the Purchaser to proceed with award, or provide comments to address to proceed with award
- The assigned Purchasing staff will save the certification in a designated folder in the division shared drive, upload a copy into CAPPs, and print a hard copy for the file:
 - Criteria used to determine the vendor award

- Provide a statement showing a list of factors considered in determining best value with the weight of each given factor
- Provide a statement regarding how the awarded Vendor provides the best value to the State in relation to other Vendors who bid or otherwise responded to the solicitation

Vendor Notification

Purchasing staff will do the following to notify the selected vendor of the procurement award:

- Contact the Vendor to instruct them to visit the Ethics Commission website to complete and submit [Form 1295](#).
- Certify the Form 1295 submitted by the vendor by checking the Ethics Commission using the reference number. Print the form and place in the procurement file.

Chapter 5

Contract Formation and Award

Purchasing staff will issue a Purchase Order (PO) to legally enforce the awarded procurement to the Vendor and, where applicable, will also develop a formal contract between the department and the selected Vendor to document negotiated terms and conditions.

Negotiations

Purchasing staff are responsible for knowing which procurements allow negotiations. The following procurements can be negotiated:

- Purchases using competitive sealed proposals
- Purchases using Requests for Offers (RFO)
- Purchases under DIR cooperative contracts
- Purchases of consulting services
- Purchases of professional services
- TXMAS purchases
- State Use Program purchases (when procuring services not goods)
- Sole source and competitive proprietary purchases
- Emergency purchases when there is insufficient time to solicit bids.

Invitations for Bids (IFBs) may not be negotiated unless there is only one Vendor response, by which terms (including price) may be negotiated.

Purchasing staff coordinates negotiations between the vendor, program and OGC to ensure there are no intentional or unintentional material changes to the advertised requirements and objectives of the published solicitation.

Negotiations Preparation

Purchasing staff will facilitate a Negotiation Team Kick-Off Meeting to ensure the team prepares for procurement negotiations with an effective strategy.

Purchasing staff will prepare the negotiation team to do the following:

- Identify contract terms which are crucial to the agreement (i.e., terms upon which the agency is either unable or unwilling to compromise, as well as contract terms that the agency is willing to compromise or relinquish)
- Understand and prioritize the acceptable trade-offs between the various negotiation goals
- Establish the department's settlement range on the items to be negotiated
- Anticipate the positions that will be taken by the vendor

during negotiations The following is prohibited during negotiations:

- Disclosure of competing respondents' costs or prices (even if the disclosure is made without identifying the vendor by name)
- Advising a respondent of its price standing relative to other respondents

Purchasing staff and the negotiation team will refer to additional guidance listed in the *State of Texas Procurement and Contract Management Guide*.

Contract Development and OGC Contract Templates

Purchasing staff will use the contract templates to draft the legally binding contract for the procurement. Contracts will be developed with the end user and Technical Subject Matter Experts and will include the following essential elements:

- Scope of Work
- Financial Provisions
- Contract Terms and Provisions

The contract development process will include an internal review by FAO and OGC before finalization and execution of the contract. Any variations from the contract template's legally included terms and conditions must be approved by the Purchasing Director and OGC.

Purchase Orders (PO)

Purchasing staff will issue a Purchase Order (PO for all procurements.) A PO

issued without a legally binding contract must include terms and conditions on the PO.

See Attachment 5.1 – PO Only Procurement Process Overview

Creating a PO in CAPPS

1. Add a New Value
 - a. Business Unit: 60800
 - b. PO ID: Next
 - c. Click Add
2. Enter Supplier ID (TIN, VIN) or Supplier Name
 - a. Supplier Name will come up in pop up box
 - b. Click on Supplier Name to auto-fill Supplier box
3. Click on down arrow in Copy From box
 - a. Click on the requisition number
 - b. Enter Requisition ID – click Search
 - c. Requisition info will auto populate
 - d. Click on boxes under Select column for all lines to copy to PO
 - e. Click Copy to PO
 - f. This will auto-populate requisition info to the PO
4. In the PO Reference box, enter short description using the division initials and what is being purchased. E.g. "FAO – Toner or Plumbing Services"
5. PO End Date box
 - a. For services, it will be the end of the service term, or end of current FY, whichever is sooner
 - b. For goods, it will be the expected delivery date of the goods

6. Click on Class/Item tab
 - a. Verify NIGP class and item are correct
 - b. Enter Purchasing Method and PCC
 - c. Reference PCMG
7. Click on Contract tab
 - a. Enter contract number – for new service POs, it will be the PO number. For renewals or new FY POs on an existing contract, refer to previous POs for contract number
 - b. Select appropriate contract category
 - c. Refer to section on how to create a contract page in CAPPs
8. Under State Mandate Fields tab, enter Contract Administrator (Buyer) and Contract Representative (program area contact)
9. Click Save button
 - a. New PO # will be generated
 - b. Verify all information and missing fields, if any
10. Click on Header Comments to add standard PO text and special language depending on procurement type.
 - a. Refer to the Standard PO comments template for verbiage to add to the PO
 - b. Check boxes to Send to Supplier, Show at Receipt and Show at Voucher
11. Add attachments (contract, quote, etc.) under the Header Comments
12. Creating PO file for review and upload to CAPPs
 - a. Utilize PO File Checklist to perform all required vendor checks, ensure all information is entered into CAPPs, all processes have been followed for the particular procurement and that all necessary documents have been obtained and are included in the PO file
 - b. PO File review thresholds
 - i. <\$10k – no peer review required
 - ii. \$10k-\$50k – peer review required by another Purchasing staff member
 - iii. >\$50k – peer review required by Purchasing Director or delegate

- iv. Threshold amounts are based on total contract value, including all estimated or exercised renewals and extensions.

13. Completing the PO

- a. Click on green checkmark by PO Status to Approve the PO for processing
- b. Click on small box with magnifying glass to Budget Check and Validate the PO
- c. Save

14. Dispatch and Print PO

- a. Click on Reports/Queries in Buyer WorkCenter
- b. Click on Dispatch POs
- c. Enter PO number in Run Control ID box – Add
- d. Click Select Purchase Order link
- e. Enter PO ID
- f. Select PO – OK
- g. Click Run – Select Window (Type) and PDF (Format)
- h. Download PO – rename using standard nomenclature

15. If Texas SmartBuy purchase, ensure the box is checked and TSB PO ID is entered

Creating a Contract ID in CAPPS

For all services POs, a contract ID and page will need to be created in CAPPS.

1. In the Buyer WorkCenter, click on Add/Update Contracts, and Add a New Value
 - a. Enter Contract ID (PO number) and Contract Process Option (PO)
2. Enter the following information on the Contract tab (should match PO info)
 - a. Administrator/Buyer
 - b. Supplier
 - c. Supplier ID
 - d. Description
 - e. Expire Date
 - f. Purchasing Method
 - g. PCC
 - h. CAPPS Contract Status
 - i. Maximum Amount (total amount of contract, including estimated and exercised renewals)
 - j. Check Allow Open Item Reference
3. On Texas Data tab:
 - a. Contract Category
 - b. Contract Auditor (Contract Representative's name)
4. Go back to Contract tab and change "Open" to "Approved" and Save

Contract Review and Oversight

Purchasing staff are responsible for ensuring proper compliance checks and external reviews occur, if applicable, once all terms and conditions have been negotiated and before the contract is executed.

FAO Procurement Division Review and Certification

The Purchasing Director will perform a procurement compliance and reviews and certifies that the procurement followed is acceptable under laws, rules, policies, and regulations directed by the State and/or the department for any procurement or contract exceeding \$50,000. The Purchasing Lead has

also been delegated authority to conduct this compliance certification.

See Attachment 5.2 – Procurement Certification Procedures

Peer Review

A Peer Review is conducted to ensure all compliance standards are met once a contract has been developed and is approved by the end user and before it is submitted to OGC for review and comments. Purchasing staff developing the contract will submit the contract to another designated Purchasing staff to verify all requirements have been met. Purchasing staff conducting the peer review will use the PO checklist to review the drafted contract. A peer review is required for any purchase or contract exceeding \$10,000.

Major Information Resources Contract Review

The following review requirement applies to major information resources contracts of at least \$10 million:

- Proposed terms of the contract must be submitted to the Quality Assurance Team (QAT) before the start of negotiations
- The final negotiated unsigned contract must be submitted to the QAT for review

See the *State of Texas Procurement and Contract Management Guide* for details regarding submitting and responding to QAT reviews for Major Information Resources Contracts of at least \$10 million.

Vendor Compliance Verifications

Purchasing staff are required to verify that the selected vendor is eligible to receive the procurement award and will perform the following compliance checks:

Vendor Check	Description
Debarment Check	Verify the Vendor has not been debarred by SPD
SAM Check	Check the System for Award Management (SAM) database to verify the vendor is eligible to receive grants and contracts on the federal level.

Iran, Sudan, Israel & Foreign Terrorist Organization Check	Check the Texas Safekeeping Trust divestment lists on the CPA website to ensure the Vendor is not doing business with Iran, Sudan, or a foreign terrorist organization.
VPTS	Check the Vendor Performance Tracking System for the vendor's scored grade for past performance.
Warrant/Payment Hold Check	Check the Uniform Statewide Accounting System (USAS) to ensure the Vendor does not have a hold or owe any outstanding debt to the State.
Franchise Check	Check the Certificates of Account Status on the CPA website to ensure the Vendor is eligible to do business in Texas and has either filed a franchise tax report or has paid a franchise tax required by Tax Code. Some exceptions apply.

Signature Authority and Contract Execution

Contracts will be executed according to appropriate signature authority and delegated signature authority in addition to the TxDMV Board contract approval procedures.

Contracts will be executed according to the following: Only the Executive Director or Deputy Executive Director (unless delegated) may execute a contract or amendment that expends funds without Board approval to the extent that it is allowed by law

- Only certified purchasers within the FAO Purchasing Section may execute purchase orders or purchase order change notices within approved dollar thresholds that expend appropriated funds.
- No other TxDMV employee may sign a contract or purchase order binding the agency without a delegation of authority to do so.
- The Director of Purchasing is delegated to sign contracts on behalf of the TxDMV for contracts not exceeding \$5,000.

Contracts must be submitted to the Board for approval by the TxDMV Director or designee for review and approval prior to execution and/or if the following applies:

- The contract or contract renewal exceeds \$200,000

- A change order, individually or in combination with other change orders (other than the exercise of available renewal options), increases the original contract by twenty-five percent or more, if the dollar amount of the change order is \$50,000 or more
- Any change order, individually or in combination with other change order (other than the exercise of available renewal options), increases the original contract by \$100,000 or more

At the discretion of the Executive Director (or designee), the department may request the Board consider any contract of any amount.

Award Notifications

The TxDMV Purchasing staff is responsible for providing one or more notifications of the contract award. Purchasing staff will also notify non-awarded vendors that the contract was awarded to a different vendor.

Debriefings and Protest of Award

Purchasing staff may be requested to respond to unsuccessful vendors by having a debriefing meeting or through a response to an award protest.

Debriefings

Purchasing staff may conduct a debriefing meeting at the request of vendors not selected for award. The following guidelines will apply for conducting debriefing meetings:

- Purchasing staff will request a list of the vendor representatives that are scheduled to attend to prepare for the meeting. If the vendor's list includes a legal representative, OGC will be requested to attend
- Only the Vendor's strength and weakness related to the response to the solicitation compared to the evaluation criteria will be discussed
- Purchasing staff are prohibited from discussing and may not disclose other Vendor responses to the solicitation or comparisons
- Purchasing staff must be careful not to reveal confidential information regarding a competitor's response

Protest of Award

Purchasing staff will respond to a vendor's official protest of the procurement actions conducted during the solicitation. All protests of award will be taken seriously, and all necessary action will be taken by the division to discover if the protest has merit. Purchasing staff will solicit OGC guidance as appropriate.

A Vendor that submits an official protest of the purchase made by the department must comply with Title 43 of the Texas Administrative Code, Section 210.2(c).

If a protest or appeal of a protest has been filed, then the department will not proceed with the solicitation or the award of the purchase unless the applicable division director makes a written determination that the award of the purchase should be made without delay to protect substantial interests of the department. If the purchase has already been awarded, then the department will not allow the vendor to continue performance under the contract unless the executive director makes a written determination that continued vendor performance is necessary to protect substantial interests of the department.

Resolution:

The applicable division director may informally resolve the dispute, including:

- (1) soliciting written responses to the protest from other interested parties; and
- (2) resolving the dispute by mutual agreement

If the protest is not resolved by agreement, the applicable division director will issue a written determination to the protesting party and interested parties which sets forth the reason of the determination. The applicable division director may determine that:

- (1) no violation has occurred
- (2) a violation has occurred and it is necessary to take remedial action as appropriate to the circumstances, which may include:
 - (A) declaring the purchase void

(B) reversing the award

(C) re-advertising the purchase using revised specifications.

Appeal:

The Vendor may appeal the determination to the executive director.

- The written appeal must be received in the executive director's office no later than 10 working days after the date of the determination. The appeal is limited to a review of the determination.
- The appealing party must mail or deliver copies of the appeal to the executive director and other interested parties with an affidavit that such copies have been provided.
- The general counsel of the department shall review the protest, the determination, the appeal, and prepare a written opinion with recommendation to the executive director.
- The executive director will issue a final written determination or refer the matter to the TxDMV Board for its consideration at a regularly scheduled open meeting.
- The board may consider oral presentations and written documents presented by the department and interested parties. The board chairman shall set the order and the amount of time allowed for presentation. The board's determination of the appeal shall be adopted by order and reflected in the minutes of the meeting.
- The decision of the board or executive director shall be final.

Attachment 5.1

PO Only Procurement Procedures

Some purchases may result only in the issuance of a purchase order. Purchasing staff will use the following procedures and guidelines to determine whether a PO is sufficient, exceptions will apply.

Purchase Order Only Thresholds

- Spot Purchases \$10,000 or less (exception for printing services)
- \$10,000 – \$24,999
- \$25,000 - \$50,000

Purchases for the following may result in a PO only

- Memberships
- Subscriptions (IT or non-IT)
- Trainings
- Commodities under \$50,000
- One-time services under \$100,000
- Purchases off CPA or DIR contracts
- Set-aside program purchases

Procurement Cycle

Planning

- Contact the end-user to verify the specifics of the purchase and follow planning procedures when necessary.

Procurement Method Determination

- Use procurement method determination procedures and guidelines to select the procurement method and solicitation type.

Vendor Solicitation

- Based on the CPA guidelines on purchase type and threshold
- If over \$25K threshold will follow procedures for a formal procurement and post a solicitation
- The solicitation will be reviewed internally before posting
- Purchases for goods over \$50k will require an open market review
- The solicitation will be posted

Vendor Selection

- Evaluation Kick-Off Meeting
- Sign Non-Disclosure and Conflict of Interest
- Facilitate Evaluation Team and Scoring
- Vendor Performance and Eligibility Check
- Purchase Director certifies the procurement file
- Recommend to Award Memo is approve

Issuing the PO

- Create and dispatch the PO in CAPPs
- Send the dispatched PDF of the PO to the end user, Vendor and TxDMV HUB coordinator, if applicable. Copy the Purchasing email inbox. Create an electronic file in the designated folder on the T drive and save the PO and all supporting documentation. Upload all supporting documentation to CAPPs under the PO Header Comments section on the PO page.

PO Administration and Monitoring

- Purchasing staff will:
 - Process change order requests
 - Respond to disputes between TxDMV and the vendor in coordination with the Contract Representative
 - Continue to maintain related documents for the PO procurement file, save in the division shared folder, and update CAPPs
- The Monitor will:
 - Use their designated monitoring tool to ensure the department has received the specified commodities or one-time service was received

- Know the specifics of the PO to ensure vendor compliance
- Monitor vendor performance
- Ensure funds are being tracked to match the work being performed
- Submit necessary reports and forms regarding Vendor performance
- Document communication with the Vendor
- Submit any needed change requests
- Provide necessary information and reports to the Contract Administrator for the PO closeout

Change Control

Purchase Order Change Notices (POCNs)

- Change requests adding or reducing funds will require a POCN. Purchasing staff will send the supporting documentation for the POCN to OGC for review and sign-off.
- If the approved POCN added funds:
 - Update the Contract Module in CAPPS
 - Will copy the approved requisition to the existing PO in CAPPS
 - Once the necessary information for the requisition is added to the PO, a POCN will be generated and a POCN number will be assigned
 - Purchasing staff will enter comments with detailed information for the POCN
 - The PO will be dispatched with the new information and the PO will be submitted to all involved contract parties, including the end user and Vendor, and will become a part of the procurement file.
- If the approved POCN removed funds:
 - Update the Contract Module in CAPPS
 - Cancel the line item(s) associated with the deletion of funds on the PO and a POCN will be generated and a new POCN number will be assigned
 - Enter comments with detailed information for the POCN

- The updated PO will be dispatched and submitted to all involved parties, including the end user and the Vendor.

PO Close-Out

In accordance with CPA Guidance, for any PO or contract over \$25,000, once the department has received all commodities specified in the PO, the Purchasing staff will close the PO by completing the PO-Contract Closeout Checklist and any applicable procedures/documents on the checklist.

Records Retention

- Once the Purchasing staff have closed the PO, they will prepare the procurement file for records retention
- Purchasing staff will ensure all required and necessary documents are included in electronic file
- The file will be retained according to the department's retention schedule in accordance with the State's requirements

Attachment 5.2

Procurement Certification Procedures

The following outlines procedures for the Purchasing Director or designee to certify Purchasing staff have followed department procedures and compliance guidelines listed in the *State of Texas Procurement and Contract Management Guide*.

Procurement Certification

Procurement compliance certifications are performed by the Purchasing Director or designee and will involve the following:

- Review the PO File Checklist completed by the designated Purchasing staff
- Approve each contract ensuring the best value standard was used
- Provide written verification by signature that the department complied with internal procurement procedures and the *State of Texas Procurement and Contract Management Guide*
- Provide a written verification by signature that the procurement file

was reviewed according to the procurement checklist to ensure all lawful documents are included

- Provide written certification by signature that responding Vendors were evaluated based on the published criteria listed in the solicitation and that the final scoring was accurate. Return the Signed PO File Checklist to the designated Purchasing staff to proceed with the contract execution process

Attachment 5.3

Contract Award Notification Procedures

The following outlines procedures for Purchasing staff to post notifications of the contract award.

Award Notifications

Purchasing staff will provide notifications according to the following:

- Post the award notice to the ESBD if the contract is \$25,000 or over
- Post the award notice to the Texas Register if the procurement solicitation was required to be posted in the Texas Register
- Notify the QAT within 10 days after a contract award for Major Information Resources Projects that are equal to or greater than \$10 million
- Report contracts according to award amount to the Legislative Budget Board (LBB) Contracts Database within the required timeframe (See the *State of Texas Procurement and Contract Management Guide* for LBB reporting requirements)
- Post award information to the Department's website to include the following information:
 - The contract until it is expired or completed
 - The statutory authority granting contract award if it is not competitively bid
 - The RFP for competitively bid contracts until the contract expires or is complete
- Post DIR Statement of Work (SOW) to the Department's website according to the guidelines listed in the *State of Texas Procurement and Contract Management Guide*.

Note: Purchasing staff will ensure no social security information, or information that is excepted under the Texas Public Information Act, and no information that is confidential under the law is posted.

Chapter 6

Contract Management

Once the contract has been fully executed and/or the purchase order has been issued, the Purchasing staff, contract representative, FAO Accounts Payable, and the Office of General Counsel (OGC) will work together to ensure the contract is managed and the Vendor's performance is monitored.

Contract Kick-Off Meeting

The Purchaser will schedule and facilitate a contract kick-off meeting with the vendor, contract representative, program staff, and the HUB Coordinator. The purpose of the kick-off meeting is to provide information and guidelines to the vendor for contract performance and monitoring.

Purchasing staff will do the following during the kick-off meeting:

- Provide the communication plan
- Review the deliverables
- Review the responsibilities of both parties
- Review contract change control procedures including contract amendments and Purchase Order Change Notices (POCNs)
- Discuss the vendor performance program
- Allow the contract representative to review specific sections of the contract to set up contract monitoring activities and vendor performance expectations
- Allow the HUB coordinator to discuss the required monthly reporting requirement and the HUB Subcontracting Plan

Kick-off meetings may not apply to each procurement and can be conducted by conference for less complex contracts or purchase orders.

Contract Administration & Monitoring

Purchasing staff and contract representative will collaborate to perform contract administration and contract monitoring to ensure the vendor is performing as agreed, deliverables are provided as agreed, and to address necessary contract activity.

Contract Administrator

Purchasing staff assigned to each procurement will also act as the Contract Administrator. The Contract Administrator will ensure compliance with all applicable state laws, policies, and guidelines. Contract administrators oversee the management of the purchase order and provide guidance and support to Contract Representative as well as facilitate communication with vendors on contract issues.

Contract Administrators must receive formal training and are required to be certified by the State of Texas.

Certification requirements can be located at CPA Purchasing Training and Policy Development.

Primary Contract Administrator duties during the contract management phase include, but are not limited to:

- Provide guidance and support to the Contract Representative throughout the contract until contract close-out
- Provide oversight to ensure that the State of Texas Contract Management Best Practices are adhered to and able to withstand an external audit
- Work with Contract Representative to address changes and issues
- Validate scope and terms of the contract and or purchase order against requested work orders, changes, performance reporting, etc.
- Work with the Contract Representative to address changes needed for the contract including:
 - Administer, approve, and officially document any changes to the contract identified by the Contract Representative
 - Process contract amendments and Purchase Order Change Notice (POCN)
 - Report the status to the end user of any pending contract amendment or POCN
- Facilitate dispute resolutions between the vendor and the end user in a timely manner
- Facilitate remedies, as appropriate, when a vendor's performance is deficient
- Collect, review and submit vendor performance reviews
- Maintain appropriate and required records in the official procurement file
- Ensure compliance reporting requirements are being met

- Facilitate compliance with all procurement and contract management rules and policies.
- Perform the contract and/or purchase order closeout process to ensure files contain all necessary contract documentation, including making sure formal acceptance is documented.

Contract Representative

The end user division will assign a responsible Contract Representative for every contract and or purchase order for the continuous monitoring and day-to-day management of the performance of the contract. The Contract Representative will coordinate with the Contract Administrator for needed contract and or purchasing order forecasting, including extensions and change orders.

Contract Representatives must adhere to compliance required by the Department policies and procedures for procurement and contract management are required to attend an annual Department training on the contract process and Contract Representatives assigned to contracts \$5 million and over are also required to be certified by the State of Texas.

Assigned Contract Representatives will be appointed by the end user division and will usually be the point of contact listed on the requisition unless otherwise indicated. Contract Representative duties may not be delegated and a change in Contract Representatives must be formally requested in writing by the end user division and submitted to Purchasing.

Contract Representatives will be the first points of contact with the vendor on any delivery-related, or other issues, and will attempt to resolve any minor technicalities or issues prior to looping in the Contract Administrator. Other Contract monitoring duties during the contract management phase include, but are not limited to:

- Adhere to ethics and conflict of interest policies and procedures, including not accepting gifts from vendors or discussing up and coming or active solicitations with vendors
- Understand the procurement process and timelines to efficiently engage and monitor the procurement from planning to the close-out

- Understand the specifics of the contract and or purchase order to ensure compliance and properly monitor day-to-day vendor performance
- Be familiar with both end user and vendor obligations for the contract and or purchase order to understand all requirements, provisions, and deliverables
- Serve as the point of contact with vendors to communicate instructions regarding work deliverables and any escalated word demands needed by the Department that may impact overall performance
- Monitor the contract and or purchase order budget to ensure funds allocated for the procurement are being tracked and properly invoiced and match the work being performed
- Review vendor invoices prior to payment approval
- Verify and authorize payments submitted by vendors and entering receipts into CAPPS
- Meet with vendors to review progress and discuss any problems or needed changes
- Ensure goods and services are being delivered in a timely manner and satisfy the specifications of the contract and/or purchase order
- Monitor and report the vendor's progress to Purchasing as required to ensure completion of work
- Provide necessary information to Purchasing that is needed for proper contract close-out
- Document communication with the vendor, including any vendor problems, issues, or delays
- Follow the written terms and conditions of the contract and purchase order, including remedies to contract and/or purchase order disputes
- Immediately reporting any conflicts of interest or potential conflicts of interest; fraud or potential fraud, or incidents that may raise an ethical concern to the Purchasing Director.

Contract Representatives are expected to maintain documentation to support all contract and/or purchase order transactions including having the appropriate information for vendor invoices and supporting documentation to prevent invalid or unauthorized adjustments, credits, or write-offs.

Contract Administrators will address any monitoring issues or irregularities with the Contract Representative or other end user Division staff.

Other Division Contract Management Responsibilities

Purchasing staff will coordinate with other Department staff during the contract management phase, including the Office of General Counsel (OGC) to ensure all legal aspects of the terms and conditions are being enforced and the Finance division to ensure that Vendor payments and allocated funds are being properly and legally disbursed.

Enhanced Contract Monitoring

The Department will use an enhanced monitoring method for high dollar, high-risk contracts. High-risk contracts that meet the requirement for enhanced monitoring will be identified during the risk assessment in the planning phase and may also be identified later in the procurement process as contract changes are incorporated.

Contracts that qualify for enhanced monitoring may include increased monitoring in the following areas:

- Frequency of site visits
- Vendor meetings
- Documentation requirements necessary to assess progress toward goals and outcomes in response to unsatisfactory performance

Monitoring for Contracts over \$1 Million

Contracts exceeding \$1 Million will have increased reporting requirements to provide information to the Department regarding:

- Compliance with financial provisions and delivery schedules under the contract
- Corrective action plans required under the contract and the status of any active corrective action plan
- Liquidated damages assessed or collected under the contract

Contract Administrators and Contract Representatives will verify the accuracy of information provided by the contractor and the delivery time of goods or services scheduled for delivery under the contract.

Monitoring for Contracts over \$5 Million

Contracts exceeding \$5 million will have the following additional monitoring requirements:

- Must be certified by the Purchasing Director in writing to verify that all laws and regulations were followed during the procurement process
- Any issues that may arise must be submitted to TxDMV's board
- If an extension is needed, the Purchasing staff will have to report results to the Vendor Performance Tracking System (VPTS) of each review of the vendor's performance, that must be conducted at least once per year during the term of the contract and at each key milestone identified for the contract as applicable

Monitoring Contracts over \$10 Million

Purchasing staff will follow contract management and monitoring outlined in the Acquisition Plan and the Contract Monitoring Schedule during the solicitation phase of the project, which includes the methods of how changes to the scope will be monitored.

Invoicing and Payments

Purchasing staff will ensure the contract terms and conditions regarding invoicing and payments are properly represented in the contract and/or purchase order. The Contract Representative and the FAO Payment Processing Unit will work together to coordinate the invoice and payment process to promptly pay Vendor's according to the Texas Prompt Payment Act.

Any issues that may cause payments to be withheld may need to be escalated by the Contract Representative or the Purchasing staff to the Payment Processing Unit. Payments may be withheld for the following reasons:

- Invoice errors
- Undocumented or unsupported costs
- Remediate overpayments to the Vendor

- The Vendor's performance is non-confirming or unacceptable.

The Contract Representative, the Purchasing staff or Payment Processing Unit will do the following if payments are withheld:

- Notify the Vendor of the invoice issue, no later than 21 calendar days from receipt of the invoice
- Request assistance from OGC, if needed
- Maintain and include any documentation regarding the incident resolution to be entered in VPTS

Change Control and Change Requests

The designated Contract Administrator and Contract Representative will work collaboratively to efficiently provide contract management and oversight to prevent a waste of resources, unauthorized work, overbilling, and any other form of scope creep.

Changes must be within the scope of the original contract and/or purchase order and may include amendments, purchase order change notices, extensions, or renewals.

The following applies to contract changes:

- Changes must be addressed in writing as verbal agreements are not binding and must go through Purchasing to be authorized
- Change requests may require Executive Director and/or Board approval
- Only staff from the FAO Purchasing Section are authorized to execute a modification, amendment, or POCN to an existing purchase order

Dispute Resolution

The Department will include a dispute resolution process and is included in the terms and conditions provisions of the contract that will be used to attempt to resolve any dispute with the Vendor before the issue is escalated to the next level.

Unresolved disputes will be escalated to the Contract Administrator along with

necessary documents and written communications detailing the issue. The Contract Administrator will coordinate with the Vendor, end user division and OGC, if applicable, during the resolution process.

If a resolution is reached, a plan will be developed and monitored. If no resolution is reached, action may be enforced by OGC according to contract provisions.

Terminations

Most contracts expire within the terms initially agreed upon at execution or through contract extensions without any additional action needed on the part of the department. There are circumstances where the contract might be terminated early, including:

- Termination by agreement – both parties consent to the termination before the expiration date.
- Termination for convenience – the Department terminates the contract in whole or in part at any time if it is in the best interest of the Department. Is a no-fault termination.
- Termination for cause – the Department determines the Vendor has failed to perform and terminates for breach of contract.
- Termination for non-appropriations – is a termination resulting from funds not being appropriated for contracts that cross fiscal years, unless certified by SPD.

Details on terminations can be found in the *State of Texas Procurement and Contract Management Guide*.

PO-Contract Close-Out

For Purchase Orders and/or contracts exceeding \$25,000.

1. At the first of each month, a report will be pulled from CAPPs for all POs and contracts that expired in the previous 60-90 days (i.e. March 1st report will be for POs that expired in December, August 1st report will be for POs that expired in May, etc.).

2. The assigned Contract Administrator (Purchasing staff) for the PO/contract will work in coordination with the assigned Contract Representative (program area) to complete the Close-Out Checklist.
3. The Contract Administrator and Monitor must compare actual performance against performance measures, goals, and objectives, to determine whether all required work has been completed.
4. A contract is completed when:
 - All goods or services have been received and accepted
 - All reports have been delivered and accepted
 - All administrative actions have been accomplished
 - All agency-furnished equipment and materials have been returned
 - All property inventory and ownership issues are resolved including disposition of any equipment or licenses purchased under the contract
 - Final acceptance from the project manager has been received; and
 - Final payment has been made to the contractor
5. The Contract Administrator will be responsible for ensuring the checklist is complete and signed as appropriate, and uploaded to CAPPS under the associated PO/Contract.

The Contract Administrator will be responsible for updating the PO Closeout tracking sheet as needed.

Closing a PO in CAPPS

NOTE: If it is necessary to add a note to the PO, do so before closing it. Follow all steps for POs with remaining balances. For POs with \$0 balances, skip step 1.

Finalize all POs before closing. This step clears out pre-encumbered funds.

1. Step 1: navigate to Purchasing -> Add/Update POs
 - a. Select Find Existing Value
 - b. Enter PO number to be closed
 - c. Finalize PO by selecting icon located next to Budget Status.

- d. Budget check PO
2. Navigate to Buyer's WorkBench: Purchasing -> Buyer's Workbench
3. Click Add a New Value, input the PO number in WorkBench ID, and press Add.

4. Fill in the Purchase Order number in From and To areas, Press Enter or Click Search at the bottom
5. Fill the Description with "CLOSE," check the Box, Click Close. NOTE: Select All is automatically checked, but does not actually Select All.
6. If there is a value in the left column PO ID field, then click the Box under Not Qualified, Click the central arrow to override. After value clears, click Yes
7. Continue to Close PO? Click Yes
8. PO Status shows Complete, Budget Check
9. PO now reads as Completed with no encumbered funds:

Vendor Performance Reporting

Vendor performance must be reported upon completion or termination of the contract to the Vendor Performance Tracking System (VPTS) for contracts over \$25,000 and must be reported once per year during the term of the contract and at each key milestone for contracts over \$5 million.

Interagency, interlocal agreements and Memorandums of Understanding (MOUs) are exempt from VPTS reporting requirements.

The Purchasing staff will provide the Contract Representative with a Vendor Performance Form upon completion or termination of the contract which will consider the following:

- Did the Vendor meet the requirements in the contract?
- Were there any other criteria besides meeting specifications in the contract and price?
- How did the vendor perform on other criteria if there were other criteria identified outside of meeting specification in the contract and price?

Once the Contract Representative completes and returns the form, the Purchasing staff will enter the Vendor's performance in the VPTS.

See the *State of Texas Procurement and Contract Management Guide* for more information on vendor performance reporting.

SB 20 Reporting

Process for members of the TxDMV to complete the mandatory SB20 upload to the TxDMV website of all department POs. This process is done on a monthly basis at the beginning of the month for the previous month's POs.

1. Close out pending PO upload folder on T-Drive and create a new pending folder for the new month.
2. Create new completed folders and add files to ZZ Completed Uploads-T-drive.
3. Optional- Create working upload folder on Desktop. Optional- Copy and paste New PO's for the month excel file (provided by Eric) to your desktop.
4. Clean up upload list. All files have the following format- 60800 0000000000 (PO Number). remove the words POCN and just keep the 15 characters for the PO. Delete previous versions of the PO on the upload folder, keep the latest version for upload.
5. Using the New PO's for the month excel file, ensure that all PO's are included to the working upload folder. QC final upload list before upload to FTP location.
6. Transfer Files to FTP location.
7. After logon, you should come to a screen as shown below. Dual screen- Right side will show FileZilla files and left side the files in your computer. Locate the final transfer file you created on step 5. Ctrl +A to select all files and grab and drag over to the FileZilla window (right side). You will get several prompts about duplicate files, just click ok to upload latest versions of PO's until the process is completed. Ensure all files transferred by looking at the bottom of the screen (Queued, failed transfers, successful transfer) area. Successful transfer should match the number of files on final upload folder.
8. After successfully uploading all new files to FTP location (FileZilla), email January final list to Kirk, Drake at Drake.Kirk@txdmv.gov. The final list file is different than the New PO's for the month file. It includes all PO's that TxDMV has dispatched since SB 20 requirements were established.
9. Note: All business objects files are currently being provided by Eric Horn. The files will be scanned at the beginning of the new month under the previously completed month folder.

File Management

Purchasing staff and the Contract Representative will work collaboratively to ensure the requisition, solicitation, and Vendor award criteria and the following required documentation are saved in the T drive and uploaded to CAPPS:

- Any statements of work and purchase orders prepared for or under the contract
- The proposed budget for the contract
- Any conflict of interest documents signed by department personnel participating in the planning, soliciting, or monitoring of the contract
- Criteria used or to be used by the department in monitoring the contract and Vendor performance
- A justification for each change order, contract amendment, contract renewal or extension, or other proposed action that would result in an increase in the monetary value of a contract with an initial value exceeding \$10 million
- Additional supporting documentation and justification for a change order, contract amendment, contract renewal or extension, or other proposed action of a contract described by Subdivision (9) that would result in an increase in the contract's monetary value by more than 20 percent

Records Retention

FAO Purchasing is the office of record for all procurement files. Purchasing staff will be responsible for ensuring records related to each procurement are retained according to the Department's record retention policy, which aligns with the *State of Texas Procurement and Contract Management Guide* and TxDMV's Retention Schedule filed with the Texas State Library and Archives Commission.

To maintain a complete file, the Purchasing staff will request all related documents from the Contract Representative and will review the procurement file according to the file management instructions listed in the PO Checklist.

Purchasing staff will store the file in electronic format on the shared drive and in CAPPs as required once all documents have been collected and the file has been reviewed for completion.

Attachment 6.1

Change Request Procedures

The following table outlines procedures for Department staff involved in requesting and processing contract change requests.

Amendments

All changes to a contract will be processed by the Contract Administrator. Changes may include, but are not limited to, the following:

- Adding or revising time
- Revision of the schedule of work
- Change of project management requirements
- Change of job classifications
- Revising the contract budget
- Change of company ownership

The following procedures will apply for change requests:

- The Contract Representative notifies the Contract Administrator in writing to request a contract change. If the change is a request for additional funds, the Contract Representative will also need to submit a requisition through CAPPs.
- The Contract Administrator determines if the change request requires an amendment and will ensure the change is consistent with the original statement of work in the contract and derivative of other procurement documents, including the solicitation and best and final offers.
- The Contract Administrator drafts the amendment using templates approved by OGC and sends the draft copy to the Contract Representative for review, comments, and approval.
- The Contract Administrator sends the draft to OGC for review and sign-off.
- Once OGC has signed-off on the amendment, the Contract Administrator will send the change request to the vendor for signature.

- The Contract Administrator submits the amendment with the Purchase Order Tracking form and will forward it for appropriate signatures
- Once the amendment is fully executed, the Contract Administrator scans the amendment in the procurement file in the designated folder on the T drive and will send a copy to the end user and the vendor.
- The Contract Administrator must process a Purchase Order Change Notice (POCN) to update CAPPs to match the contract especially if the service period is extended or additional funds are needed
- The Contract Administrator updates the Purchase Order and will provide a detailed description of the amended information and will save a copy in the hard copy and electronic procurement file.

Purchase Order Change Notices

Amendments approved for adding or deleting funds will require a POCN. The Purchaser sends the supporting documentation for the POCN to OGC for review and sign-off.

Once OGC has signed-off on the POCN, the Purchasing staff will do the following:

If the approved amendment adds funds:

- Update the Contract Module in CAPPs
- Source the approved requisition to the existing PO in CAPPs
- Once the necessary information for the requisition is added to the PO, a POCN will be generated and a POCN number will be assigned
- The Purchaser will enter comments with detailed information for the POCN
- The PO is dispatched with the new information and the PO and amendment will be submitted to all involved contract parties, including the end user and vendor, and will become a part of the procurement file.

If the approved amendment deletes funds:

- Update the Contract Module in CAPPs
- Cancel the line item(s) associated with the deletion of funds on the PO
- A POCN will be generated and a POCN number will be assigned
- Enter comments with detailed information for the POCN

- The updated PO will be dispatched and submitted to all involved parties, including the end user and the vendor.

All associated communication, documents and files will be uploaded to CAPPS under the PO page and saved in the shared drive.

Note: If the contract amended or changed is for contracts over \$50,000, all change order documents must be submitted to the Legislative Budget Board (LBB).

Extensions and Renewals

If services are still needed near the end of a contract, parties have the option to renew the contract for another term unless prohibited in the contract terms. Contracts with an option to renew must be exercised and enacted prior to the end of the contract.

The Purchaser and the Contract Representative will review the contract before the contract end date to determine if an extension or renewal is needed for the current contract.

Extensions

An extension may be processed when the full term of the renewal period listed in the contract terms is not needed for the remaining work.

Renewals

Renewals are processed when the renewal options listed in the contract are exercised. This may require additional budget and an update of the scope of work and the deliverable deadlines. To exercise a renewal option, the following steps are required:

- The Contract Representative must submit a new requisition through CAPPS supporting an updated budget
- The Purchaser follows steps to amend a contract if there are no additional funds being added or removed. If funds are being added, the Purchaser will follow the steps to process a POCN to add or remove funds.

Attachment 6.2

Dispute Resolution Procedures

The following outlines procedures for Department staff involved in resolving disputes with the contract vendor.

Dispute Resolution

The Contract Representative and program area should attempt to resolve contract disputes directly with the vendor before escalating the issue to Purchasing. If the Contract Representative and program area unable to resolve the dispute by discussing with the vendor, they will submit a request in writing to the Contract Administrator for assistance.

The following procedures will apply for dispute resolutions:

- The Contract Representative initiates a progressive escalation process by submitting a request to the Contract Administrator to resolve the dispute.
- The Contract Administrator requests the Contract Representative to submit documented details of the dispute on the Contract Findings Report.
- If the dispute involves payment of an invoice, the Contract Representative will notify FAO Payment Processing Unit to stop the invoice from being processed and will contact the Contract Administrator to assist with resolving the dispute.
- The Contract Administrator reviews the circumstances of the dispute and will provide feedback to the Contract Representative to attempt to resolve the issue directly with the vendor

If the Contract Representative and vendor are still unable to resolve the dispute, the Contract Administrator will facilitate communication between both parties which may include setting a meeting or conference call so each party may introduce solutions to addressing the dispute with Payment Processing Unit and the program area's Division Director.

If no resolution is reached after the informal meeting, a formal Notice of

Dispute will be sent to the vendor for response. The Purchaser will contact OGC to consult before responding to the vendor.

Once identified solutions have been agreed upon, the Contract Administrator will assist with any contract changes or amendments that may be necessary.

If no resolution is reached, the Department will involve OGC to enforce action listed in the contract terms.

Attachment 6.3

Contract Termination Procedures

The following outlines procedures for Department staff involved in terminating contracts before their expiration date.

Terminations

Contract terminations may include the following types:

- Agreement
- Cause
- Convenience
- Non-Appropriation

The following procedures apply:

- Depending on the type of contract termination, the Contract Representative or program area will contact the Contract Administrator to begin the termination process and notifies FAO Payment Processing Unit to ensure invoices are disputed and not improperly processed for payment.
- The Contract Representative identifies all project deliverables that were completed or partially completed, materials due to the Department, access to department technology applications, and any other sensitive information that would need to be returned or destroyed by the vendor.
- The Contract Administrator works with the Contract Representative and OGC to draft a letter to provide written notice to the vendor with instructions and the contract termination date.
- If the termination is a result of the vendor being in default of the contract or failure to perform, the department provides a written notice to allow the vendor to remedy the issue and provide action steps.
 - If the vendor fails to remedy the issue within the allotted time frame, a written notice will be provided to notify the vendor that the department will proceed with the termination and will provide

instructions and a contract termination date.

- The Contract Representative works with the Contract Administrator to develop and approve the final invoice to the vendor.
- The Contract Representative will complete a Vendor Performance Reporting form.
- The Contract Administrator updates the Contract Module in CAPPs, attach the termination letter, release the encumbrances on the purchase order, and submits the Vendor Performance Reporting form to CPA.

Chapter 7

Historically Underutilized Business

Purpose

The Texas Department of Motor Vehicles (TxDMV) Historically Underutilized Business Program (HUB) operates pursuant to State of Texas requirements: Texas Government Code, Chapter 2161; 34 Texas Administrative Code (TAC) Part 1, Chapter 20, Subchapter B §20.10 – 20.28; and other guidance as promulgated by the Texas Comptroller of Public Accounts.

In implementing the above program and working in conjunction with TxDMV's procurement and contracting policies, it is TxDMV's policy to make a good faith effort to maximize HUB participation in department procurement and contracting.

Application

CPA administers the HUB Program in accordance with TGC §2161. State agencies are required to take initiatives to eliminate barriers for equal economic opportunities in state procurement for

HUBs. TxDMV's commitment to the HUB Program is detailed in the department strategic plan.

TxDMV HUB Coordinator and Assistant HUB Coordinator must review any planned procurement that may total \$100,000 or more for potential subcontracting opportunities. For any procurement that is determined to have subcontracting opportunities, vendors must submit a HUB Subcontracting Plan (HSP).

For a business to be eligible for HUB designation, a business must:

- Operate principally in Texas;
- Be owned by a US citizen, or a Service-Disabled Veteran as defined by 38 U.S.C. Sections 101(2) and 101(16), and Texas resident with proportionate interest and actively involved in control, operations and management.

- Be owned by a US citizen who is at least 51 percent Asian Pacific American, Black American, Hispanic American, Native American, American woman, or a Service-Disabled Veteran as defined by 38 U.S. C. Sections 101(2) and 101(16).

For additional HUB program definitions, see: 34 TAC, Part 1, Chapter 20, Subchapter B, §20.11 Definitions and Texas Government Code §2161.001 Definitions.

Additional HUB program information on multiple topic, such as, certification of businesses as HUBs, required reporting and small business resources can be found on the Statewide Procurement Division HUB website.

Administration & Monitoring

TxDMV is obligated to demonstrate good faith effort in fostering equal opportunity for HUBs to participate in department procurement and contracting. Roles and responsibilities subsequently discussed are geared toward implementation of the referenced good faith effort.

Department Staff

- All TxDMV staff are required to follow the HUB programs' policies and procedures.

Executive Director

- Meets with the HUB Coordinator and Assistant HUB Coordinator to discuss the HUB program status, performance, program implementation, and new initiatives for increasing HUB utilization.
- Approves the department's HUB goals.
- Oversees department compliance and outreach.

Division Directors

- Responsible for fostering their division's use of HUBs.
- Ensure staff compliance with applicable policies and procedures.
- Monitor good faith efforts in their respective division.
- Further performance with respect to program goals.

HUB Coordinator

The HUB Coordinator's responsibilities are outline in 34 TAC Chapter 20, Subchapter B §20.26

- Foster the systemic good faith effort necessary in working toward HUB goals
- Oversee the department HUB program
- Report to department leadership, including the executive director, on program progress and opportunities for improvement
- Develop and implement strategies and goals to maximize TxDMV's use of HUBs
- Serves as secondary program point of contact for internal and external customers
- Approves program reports for internal and external use
- Encourages mentor-protégé program to foster long-term relationships between prime contractors/vendors and HUBs to boost HUB growth and development
- Provides support to Assistant HUB Coordinator to train prime contractors to ensure compliance with HUB requirements in proposals and subcontracting plans
- Educates TxDMV Staff

Assistant HUB Coordinator

- Reports HUB utilization data for submission to SPD within the Office of the Comptroller of Public Accounts
- Assists the HUB Coordinator with fostering the systemic good faith effort necessary in working toward HUB goals
- Attends HUB outreach events
- Plans and coordinates annual TxDMV HUB outreach event
- Assists the HUB Coordinator with reporting to department leadership, including the executive director, on program progress and opportunities for improvement
- Assists the HUB Coordinator develop and implement strategies and goals to maximize TxDMV's use of HUBs
- Serves as primary program point of contact for internal and external customers
- Creates program reports for internal and external use
- Serves as primary mentor-protégé program point of contact
- Trains prime contractors to ensure compliance with HUB requirements in proposals and subcontracting plans
- Educates TxDMV Staff

Purchasing Section

Program areas are required to further progress toward goals by:

- Complying with HUB, procurement and contracting guidance
- Determine whether subcontracting opportunities are probable under a contract (primarily contracts with a potential value of \$100,000 or more.)
 - **NOTE:** Texas Government Code §2161.251 and TAC §20.14 requires a \$100,000 threshold for determining potential subcontracting opportunities
- Provide sufficient information, the HUB Coordinator/Assistant HUB Coordinator for assessment as to good faith efforts
- Invite the HUB program staff to participate in solicitation meetings to provide input on good faith effort compliance
- Audit HUB Subcontracting Plan (HSP) for compliance
- Ensure each invoice contains a Progress Assessment Report (PAR) form and supporting documentation to substantiate HSP compliance when required
- Provide PAR forms to the HUB program for reporting purposes
- Communicate discrepancies or deficiencies to HUB program staff
- Encourage prime contractors to comply with HUB subcontractor/vendor requirements
 - Works closely with HUB program staff to ensure that HUB requirements are included in TxDMV solicitation documents.

Office of General Counsel

- Provides legal advice
- Contributes to the development of contract-related documents
- Reviews and approves certain contract documents
- Ensures HUB language is correct with statutes and rules per procurement

HUB Rules and Goals

- In accordance with Texas Government Code §2161.003, the TxDMV has adopted the commission's rules under Texas Government Code

§2161.002 as the department's own rules.

- In accordance with 34 TAC 20.284 (c), TxDMV shall establish its own department-specific HUB goals for each procurement category. TxDMV shall set department-specific goals higher or lower than the Statewide Disparity Study provided those goals are used as a starting point and using a defined methodology that is based on actual department expenditure data. The adjusted goals are monitored by internal department staff for assessment based on expenditures. However, the statewide goal is added to each procurement over \$50,000 on the HSP included as an attachment to the ESBD per posted procurement.
- TxDMV does not establish HUB goals for construction procurement categories, including special trades. TxDMV has limited ability to impact these categories, given its spending authority.

HUB Procurement Requirements

The incorporation of HUB requirements is described below for each stage of TxDMV's procurement process.

Phase 1: HUB Subcontracting Plan – Pre-Solicitation and Solicitation

- Notification of New Solicitation
 - HUB Program staff is notified of new solicitations by contract specialist and/or Purchasing staff
 - HUB Program staff may attend solicitation meetings, on mandatory invite from the program area and Purchasing Section
 - HUB program staff's role is to further TxDMV's good faith efforts
- Determination of Subcontracting Opportunities
 - TxDMV determines whether subcontracting opportunities are probably under a contract with an expected value of \$100,000 or more (including renewals or amendments).
 - Contracts under \$100,000 may also include a HUB HSP if there are probable subcontracting opportunities.
 - Purchasing staff must provide the following to HUB program staff: draft solicitation documents, division name and requisition number and the program area point

- of contact. The contract staff provides the HUB Office with the final contract to monitor HUB participation, amendments and renewals.
- The HUB program, working with Purchasing and the General Counsel, reviews the draft solicitation documents to evaluate whether information on procurement procedures is provided in a manner that encourages participation by all businesses.
 - Reasonable and realistic delivery schedules consistent with the department's actual requirements are specified and specifications and terms and conditions reflect actual requirements, are clearly stated and do not impose unreasonable or unnecessary contract requirements.
 - The HUB Program will assign and record on the approved "Evaluation of Potential Subcontracting Opportunities" form a HUB goal consistent with the scope of work and applicable procurement category from the department's approved HUB goals.
 - The HUB Program will also determine the necessary contract provisions to address the requirements for the HUB Program (if applicable). This information will be indicated on the approved "Evaluation of Potential Subcontracting Opportunities" form.
 - The HUB Program will return the approved "Evaluation of Potential Subcontracting Opportunities" form to the contract manager for HUB information to be incorporated into the solicitation and saved in the contract file.
- HUB Program's Pre-Bid Conference Input. The HUB Program is included in pre-solicitation conferences to focus on good faith effort, HUB Subcontracting Plan (HSP) requirements, identifying HUBs and recruiting for the department's Mentor Protégé Program.
 - HUB Subcontracting Plan courtesy review. Upon the vendor's request, HUB program staff will review, prior to proposal submission, a respondent's proposed actions to comply with good faith effort requirements. The review's purpose is to identify and correct deficiencies prior to submission. The HUB program does not determine HSP responsiveness through the courtesy review.

Phase 2: HSP Subcontracting Plan – Response Evaluation and Award

- Proposal and HUB Subcontracting Plan Submission. When TxDMV HUB staff identifies that subcontracting opportunities are probable, contractors/vendors must submit the HSP with the proposal/bid.
- Proposal(s)/bid(s) received without the HSP, when one is required, will be rejected for material failure to comply with Texas Government Code 2161.253(b).
- Solicitations posted with subcontracting opportunities should include 7 calendar days for the prime contractor to adhere to HUB statues regarding the good faith effort.

Phase 3: HUB Progress Assessment Form

- HUB Program staff reviews the final HUB Subcontracting Plan (HSP). The HUB program staff completes the Initial Progress Assessment Form (PAR) with contract number, date, prime contractors company name, contact, subcontractors name and amounts per contractor per subcontractor agreement. The template is sent by email to the prime contractor for monthly reporting. PAR forms are due by the 10th of each month for tracking purposes ensuring contract percentages are begin adhered to.

Legislatively Mandated HUB Reports by State Agencies

Report Name	Statute/Rule	Deadline	Summary
<p>Semi-Annual – September – February</p> <p>Annual – September to August</p>	<p>TGC §2161.121 & §2161.125</p>	<p>March 15th (6 months of data – September 1st to February 28th)</p> <p>September 15th (12 months of data – September 1st to August 31st)</p>	<p>Texas state agencies and institutions of higher education (universities) are required to submit to the Comptroller’s Statewide Procurement Division their expenditure and supplemental data for compiling the <u>Fiscal Year – Annual and Semi-Annual</u>. You must also report your Supplemental Data. Reported through CPA HUB Portal. The agency provides Supplemental Data of Responses Received and Awards Made, HUB Subcontracting Payments and HUB Procard Payments. In addition, the supplemental letter (optional) is also provided to CPA.</p>
<p>State Agency Progress Reports</p>	<p>TGC §2161.124</p>	<p>December 31st</p>	<p>Agencies - This report reflects HUB performance, including operational goals, objectives, and strategies that your agency is working to meet its HUB-related mission. Provide to agency’s financial division to submit with Nonfinancial Data Report complete instructions https://gov.texas.gov/organization/bpp</p>

			<p>Universities – Submit report via email to the Governor: budgetandpolicyreports@gov.texas.gov; Lt. Governor: dan.patrick@ltgov.texas.gov and Speaker of the House of Representatives: dade.phelan@speaker.texas.gov or budget.reporting@speaker.texas.gov offices. <i>Note: You may know this report as the "Annual HUB Strategic Plan</i></p>
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			<i>Progress Report”!</i>
Legislative Appropriation Requests (LAR)	TGC §2161.127	Every other year prior to session. Note: Each agency’s budget division may have different deadline.	Provide to agency’s budget division to incorporate into LAR every other year prior to session.
Estimate of Expected Contracts Awards	TGC §2161.183	October 30 th	Prepare and keep on file
Internal HUB Reports	TGC §2161.122	Monthly	Prepare and provide to agency’s internal management and operating divisions
Quarterly Performance Measures (Strategic Plan)	TGC §2161.123	Quarterly	Submission is according to agency’s policy
Article IX Report - CPA/LBB – HUB Assessment t Bi-Annual Report	TGC §2161.123, TAC §20.286 & GAA Article IX, Section 7.06	December 1 st (every odd fiscal year) Note, the report is contingent upon on whether the report requirement is stated in the recently passed GAA)	This report reflects internal assessment evaluating the agency's efforts during the previous two fiscal years in increasing the participation of historically underutilized businesses (HUBs) in purchasing and contracting. The Comptroller or Legislative Budget Board may evaluate information provided in the internal assessments to determine the agency's or institution's good faith efforts towards increasing the use of HUBs in purchasing and contracting for goods and services. Submit to the following via email: CPA - hub.riders@cpa.texas.gov and LBB - hub.reports@lbb.texas.gov .

Chapter 8

Payment Card (PCard)

REFERENCE

Texas Administrative Code, Title 34 §5.57 "Use of Payment Cards by State Agencies"

PURPOSE

The purpose of the Texas Department of Motor Vehicles (TxDMV) Payment Card (PCard) Program is to establish an efficient, cost-effective method of payment for goods and/or services while maintaining strict compliance with all state and federal laws, rules and regulations governing procurement and accounting functions. The PCard is a payment method and must not be used to replace normal purchasing procedures when required.

APPLICATION

This manual applies to all employees who have been issued a State of Texas PCard. Any changes to this manual, including those that make it more restrictive, must be approved by the PCard Administrator, Chief Financial Officer, General Counsel and Executive Director before implementation. This manual does not affect travel card or gas card procedures and policies.

DEFINITIONS

The following definitions are provided to assist all TxDMV PCard cardholders in understanding the requirements of this manual:

- **Acceptable Purchase** – goods and services deemed acceptable by the Purchasing Section based on state and federal laws, rules, regulations and policies governing purchasing at TxDMV.
- **Account Code** – codes that are assigned within CAPPs which are a short numerical convention to accurately post expenditure data to the general ledger. All purchases shall be charged to the specific CAPPs Account Codes.

- **Accounting** – the TxDMV Finance and Operations Division (FAO) section responsible for fiscal operations.
- **Billing Statement** – the statement of all monthly charges by individual cardholders which is sent for payment to TxDMV Payment Processing by the PCard Administrator at the end of each billing cycle.
- **Billing Statement Reconciliation** – the reconciling of all cardholders' PCard purchase receipts/invoices to the billing statement received.
- **Capital Equipment** – an item costing more than \$5,000, including shipping charges, to which a state property number is affixed.
- **Centralized Accounting and Payroll/Personnel System (CAPPS)** – the financial and purchasing system used by TxDMV.
- **Controlled Asset** – item on the controlled assets list, costing more than \$500 to which a state property number is affixed. Examples include cameras, video equipment, computers and printers.
- **Credit Limit** – the maximum dollar amount of credit assigned to a cardholder to pay for purchases during a billing cycle (typically a 30-day period).
- **Disciplinary Action** – action taken by supervisor consistent with the TxDMV Human Resources Manual in response to a violation of TxDMV standards of conduct; policies, including the policies in this manual; procedures; regulations; laws, and supervisor directions.
- **First Choice Products** – recycled, remanufactured or environmentally sensitive commodities or services that the Comptroller of Public Accounts (CPA) has designated by rule to become default items for purchase by state agencies and institutions of higher education.
- **Fraud** – Fraud involves the obtaining of something of value through willful misrepresentation. The TxDMV fraud policy can be found in the Human Resources Manual, Chapter 2, Section 4.
- **Historically Underutilized Business (HUB)** – businesses that are majority owned by Black Americans, Hispanic Americans, American Women, Asian Pacific Americans, Native Americans or Veterans and

is certified by the CPA.

- **Individual Billing Statement** – the individual cardholder statement sent by the PCard Administrator to each cardholder after the close of the billing cycle during which the PCard was used to pay for goods or services.
- **Individual Billing Statement Reconciliation** - the process of reconciling all charges on a cardholder’s individual billing statement with entries in the CAPPs system and/or on the cardholder’s PCard Summary document and ensuring all charges on the statement were made by the cardholder. This reconciliation is mandatory every month for all employees who possess and use a PCard within that month.
- **Merchant Category Code (MCC)** – a four-digit number assigned to a business by credit card companies which denotes the type of business or service it provides. The TxDMV will restrict certain types of purchases through the use of MCCs.
- **PCard Administrator** – the TxDMV employee responsible for the day-to-day administration of the TxDMV PCard Program.
- **PCard Cardholder** – a TxDMV employee to whom a state PCard has been issued.
- **Payment Card (PCard)** – a credit or charge card issued to an officer or employee of the agency for the purpose of allowing the officer or employee to purchase goods or services for the agency. The CPA administers a state term contract credit card program designed as a payment method to streamline small dollar purchases. Use of the payment card as a payment method does not relieve an agency from complying with other applicable procurement processes.
- **Requisition** – an internal document by which agency personnel provide written requests for goods and/or services to the budget and purchasing departments. The requisition document serves as pre-approval to the TxDMV Purchasing Section for the purchase of goods and/or services.
- **Recycled/Remanufactured/Environmentally Sensitive Products** - products that are made using recycled materials, products that have been remanufactured, or products that are

environmentally sensitive.

- **Set Aside Contract** - Term often used when referring to WorkQuest and Texas Correctional Industries (TCI) - Texas Department of Criminal Justice (TDCJ) Institutional Division (ID) statutory purchasing programs. This process is exempt from competitive bidding requirements.
- **Single Purchase Transaction Limit** - the maximum dollar amount assigned to a cardholder that may be used for any single purchase transaction.
- **Splitting Purchases** - two or more purchases from the same vendor at virtually the same time; using the PCard to pay for goods and/or services that exceed the single purchase limit assigned to the cardholder; dividing a purchase between different dates; when two cardholders divide a purchase between their cards; or divide a purchase for similar goods between two vendors to avoid exceeding the single purchase limit assigned to the cardholder. Splitting is considered a circumvention of state and federal laws, rules and regulations and is prohibited, whether done knowingly or unknowingly. An example would be that a purchaser has to order 1000 books that cost \$5.50 each which would total \$5,500 and would exceed the maximum transaction limit. The purchaser splits the purchase into two 500 book orders which circumvents the maximum dollar limit.
- **State PCard Contract Vendor** - CPA term contract vendor that issues the state PCard for use by all state agencies. The state PCard issued by the State PCard Contract Vendor shall be the only payment card used by TxDMV employees to pay for purchases of goods and/or services.
- **Texas Correctional Industries (TCI)** - the Institutional Division (ID) of the Texas Department of Criminal Justice (TDCJ), which manufactures many goods for sale to state agencies.
- **TxDMV PCard Agreement** - an agreement signed by a proposed cardholder prior to the issue or use of the state PCard in which the proposed cardholder agrees to abide by the PCard

manual and acknowledges that he/she has been provided orientation on the use of the PCard, received a copy of this manual, and understands the various purchasing limits encoded for his/her PCard use.

- **TxDMV Purchasing Section** - TxDMV staff certified as procurement professionals and employed by TxDMV, Finance and Administrative Services Division.
- **Prohibited Purchases** - goods and/or services for which the PCard shall not be used as payment.
- **Vendor Hold** - process by which verification of a vendor's delinquency status of unpaid state taxes, child support or other financial obligations would prohibit issuance of state funds to said vendor until such a time as the vendor becomes current on the fulfillment of these obligations.
- **WorkQuest** - an entity that offers goods and/or services for sale to a state agency through efforts made under law by the Texas Workforce Commission. TIBH is a true set-aside program established by the State Legislature and is exempt from competitive bidding requirements.

GENERAL INFORMATION

- 4.1 The PCard may be used for purchases for TxDMV. The goal of the program is to increase efficiencies within the agency while maintaining strict compliance with state and federal laws, rules, regulations and TxDMV policies related to purchasing, accounting and asset management functions.
- 4.2 The PCard shall not be used to circumvent the purchasing rules and regulations of the TxDMV, the CPA - Statewide Procurement Division (SPD) or the State of Texas. All purchasing statutes, rules, policies, and procedures must be met when using the payment card. The use of a payment card does not exempt TxDMV, its officers or its employees from any purchasing requirement of state law or SPD.
- 4.3 Splitting of purchases is not allowed under any circumstance.

See Definitions: Splitting Purchases.

4.4 Compliance with the TxDMV PCard Manual is mandatory. Failure to abide by the procedures outlined within the manual may result in temporary suspension or termination of cardholder privileges, disciplinary action, or both. See Definitions: Fraud

***NOTE: Fraud, waste or abuse or other deliberate misuse of PCard may be grounds for immediate disciplinary action.**

4.5 After a cardholder has made a purchase using the PCard, the goods and/or services shall be delivered by appropriate means to the requesting TxDMV facility/office.

4.6 Only the person whose name appears on the PCard is allowed to use the PCard and then only for official business of the TxDMV.

4.7 TxDMV PCards shall only be issued to members of the TxDMV FAO Division. All new PCard requests shall be in writing using the PCard Account Application Form. All TxDMV Purchasing Section staff shall be issued PCard's with the exception of the PCard Administrator and the Assistant HUB Coordinator.

4.8 There shall only be two (2) cardholder credit limits with assigned credit limits as follows:

4.8.1 **Purchasing Section** – Maximum dollar limit/transaction is \$5,000; the maximum dollar credit limit/cycle is \$50,000.

4.8.2 **Others – Determined by the CFO on an individual need allocation.**

4.9 No PCard shall be issued with limits higher than those shown above unless a written approval has been received from the PCard Administrator.

4.10 The daily management of the PCard program shall be vested in the PCard Administrator.

4.11 All PCard cardholders shall successfully complete at least the Basic Public Purchasing Course provided by CPA within six (6) months of issuance of a TxDMV PCard. A copy of the Certificate of Completed Training from CPA - SPD must be submitted to the PCard Administrator.

DUTIES AND RESPONSIBILITIES

PCard Administrator

The PCard Administrator shall be responsible for the following:

- Knowledge and thorough familiarity with the TxDMV PCard Policy, including ability to answer questions and handle problems associated with the use of the PCard for all cardholders.
- Day-to-day administration of the PCard Program. The PCard Administrator shall maintain a direct relationship with Accounting, and PCard Vendor.
- Requests PCard's, all cardholder maintenance, and cancellation of PCard's due to employment termination, disciplinary action, or when there is no longer a need for a PCard.
- Ensures that each new PCard requested by the PCard Administrator reflects the cardholder's name as used in payroll records on the first line and the cardholder's agency number (00608) and agency name on the second line.
- Recommends disciplinary action for infractions or violations of the TxDMV PCard Manual. Reports of findings and recommendations shall be sent to the TxDMV CFO.
- Ensures that PCard for terminated employees, deceased employees and cardholders who no longer require a PCard are cancelled immediately, but not later than three (3) working days after notification.
- Ensures that each new cardholder is provided training in the use of the PCard, has received and read the TxDMV PCard Manual and signed the PCard Agreement.
- Reviews and either approve or reject requests for MCC blocked or restricted code overrides.

PCard Cardholder

Any TxDMV employee to whom a state PCard has been issued. The cardholder shall be responsible for:

- Complying with this manual and its policies at all times.

- Using the PCard to pay for authorized/acceptable goods and/or services for which they have an approved requisition.
- Notifying vendors that purchases for the State of Texas are tax exempt and providing appropriate form if requested. Cardholder shall verify there is no tax charged on itemized receipt.
- Obtaining an itemized receipt that shows item(s) purchased after a purchase has been paid. A receipt is not considered valid unless it is itemized. If the store receipt is not itemized, the cardholder shall request the merchant to provide itemization to include item description of each item by the purchase price. If merchant does not or will not itemize the receipt, the cardholder shall itemize the receipt. Ensure that any purchase made using the PCard includes all charges and does not exceed the cardholder's PCard limit.
- Obtaining other documents required for the file prior to the purchase:
 - Approved requisition.
 - Receipt of the charges.
 - System of Award Management (SAM) and the print out of the Debarred Vendor List.
 - Vendor tax status verification screen print (if applicable).
 - Any other backup documentation.
- Maintaining their PCard in a safe and secure place.
- Using a "secure" website for making Internet PCard purchases. A "secure" website will have a "yellow lock" in the bottom right corner of the internet browser or next to the URL address indicating SSL secured. SSL is an acronym for Secure Socket Layer. It is a protocol used to secure communications between two computers on

a network via data encryption. When used on a website, it is initiated by visiting a URL using the HTTPS protocol. Cardholder's shall use HTTPS sites to make Internet PCard purchases. Cardholders are not allowed to make purchases over an unsecured Internet site.

- Reporting a lost, stolen or misplaced PCard to the State PCard Contract Vendor's 24 hour/7 day Customer Service at 1-800-2484553 to report the loss. Cardholder shall also notify the PCard Administrator immediately by telephone or e-mail. Note: Prompt action on the cardholder's part can reduce TxDMV's liability for fraudulent activity.
- Arranging for delivery of the items to the requestor before a cardholder has made a purchase using the PCard for payment.
- Putting forth a good faith effort to obtain Vendor Identification Numbers, Texas Identification Number System (TINS) number or Federal Tax ID numbers by:
 - Researching CAPPS.
 - Researching the Centralized Master Bidders List (CMBL).
 - Research CPA Taxable Entity.
 - Requesting W9 by email or phone, etc.

Purchasers should include the TINS and address that best matches the address on the transaction receipt.

- Ensuring that credit memos for the return of goods reference the original invoice and request number.
- Reconciling their purchases in CAPPS or cardholder's Transaction Log upon receipt of the cardholder billing statement. This reconciliation will ensure all transactions shown on the statement were made by the cardholder. The cardholder statement reconciliation is required and is a principal control of the program.

After the reconciliation is completed, the cardholder shall sign and date the CAPPS summary document or

Transaction log and statement. The individual cardholder statement and CAPPS summary document or Transaction Log shall be scanned and emailed to Accounting no later than the tenth (10th) day of the following month.

- Contacting the vendor and attempting to resolve a disputed transaction. If the charge is in error, the cardholder shall request the vendor to issue a credit to their PCard for the disputed amount. If the cardholder and vendor cannot resolve the dispute, the cardholder shall contact the department PCard Administrator for advice, or to implement the dispute resolution process.

- Beginning a new CAPPs summary document or transaction log for each billing cycle. The cycle period shown on the CAPPs summary document or transaction log shall coincide with the statement cycle.
- Not accepting cash for the return of goods that were paid with a PCard. A credit to the cardholder's account must be received and the credit shall be entered on the cardholder's CAPPs summary document or transaction log using the original invoice number if a requisition number is not available.
- Making every effort to purchase from HUB vendors in accordance with TxDMV's HUB plan. This does not mean a cardholder is required to pay more for goods just because a vendor is a HUB; however, a good faith effort is required.
- Using a PCard only during a cardholder's approved work hours unless otherwise authorized by the TxDMV PCard Administrator and the cardholder's supervisor.
- Complying with this manual in all respects when using the PCard for payment of goods or services.
- Signing a TxDMV PCard Agreement, to comply with the terms and conditions of the agreement and the TxDMV PCard Manual.
- Authorizing purchases by signing all PCard purchase documentation with the exception of the vendor hold screen prints.

Accounting

Accounting will be responsible for the following:

- Advising the PCard Administrator in writing of any policy infraction or violation of cardholder receipts, vendor hold screen print (if applicable), CAPPs summary documents or transaction logs and statements that are received. If Accounting staff do not receive the proper documentation, or it is not received according to this manual or observes questionable purchases on any receipt; the PCard Administrator shall be notified immediately. If questionable

purchases have been made, Accounting shall send a copy of the receipt by email to the PCard Administrator for research.

- Determining and making known to all PCard cardholders and PCard Administrator the agency accounting requirements for submitting PCard paperwork. Agency requirements shall include guidelines to clearly define the paperwork (partial or all policy required paperwork) to be submitted to Payment Processing.
- Notifying the PCard cardholder and the PCard Administrator in writing no later than the end of the month, of any agency required PCard paperwork not received by the 15th of the month.
- Verifying accuracy of the "Account" Chartfield information for each transaction, including correct NIGP codes and verifying best value.
- Processing direct deposit payment of the program's billing statement to the state PCard contract vendor in accordance with Prompt Pay rules using the vendor's 14 digit Texas Identification Number.
- Notifying the PCard Administrator of any late payments to the PCard contract vendor and the reason for the late payment such as cardholder paperwork was not received by the required date, budget unavailable, etc.
- Maintaining for audit purposes, in centralized Accounting office, all PCard purchasing documents received for the required state retention period.

PCARD CONTROLS

Credit Limits

- All PCards are magnetically encoded with (1) a single purchase limit; and (2) a maximum cycle limit. Only the PCard Administrator can change these limits and only within

the TxDMV authorized limits shown in Sections 4.8.1 and 4.8.2 of this manual.

- Each PCard cardholder will be provided specific limits assigned to their card when the cardholder signs the TxDMV PCard Agreement.

Monthly Billing Statement Review and Reconciliation:

- Accounting will receive a monthly billing cycle statement from the PCard Administrator showing all transactions made by PCard. Accounting is responsible for reconciling all cardholder's purchase receipts/invoices to the billing statement.

Individual Monthly Billing Statement Review and Reconciliation

- Each PCard cardholder will receive an individual statement from the PCard Administrator showing their transactions for the previous billing cycle.
- The purpose of this individual statement is to give the cardholder an opportunity to review transactions on the cardholder's account and to ensure that the proper expenditure of funds has occurred under the PCard program.
- Upon receipt of the individual billing statement, each cardholder shall reconcile their statement and their CAPPs PCard Summary Document or Transaction Log by comparing the entries on their CAPPs PCard Summary Document or Transaction Log to the transactions shown on their statement to ensure the cardholder in fact made all transactions. After verification of the transactions is complete, the cardholder shall dispatch the CAPPs PCard Summary Document. The individual statement, CAPPs PCard Summary Document, and all required documentation shall be scanned together and attached to the CAPPs PCard Summary. The reconciliation is MANDATORY and is one of the principal controls of the PCard program.

External and Other Post-Payment Audits

- All PCard purchasing documents: invoices/receipts, CAPPs PCard Summary Documents, transaction logs, requisitions, vendor tax status verifications, and individual billing statements are subject to post payment audit by TxDMV Internal Audit, external state auditors, and the PCard Administrator.

ACCEPTABLE AND PROHIBITED PURCHASES

These are examples of purchases for which the PCard may or may not be used for payment. The lists are not to be considered all-inclusive. If a cardholder has a question, they should contact the FAO Purchasing and Contract Coordinator - Team Lead or the PCard Administrator before making the purchase.

Acceptable Purchase Examples:

- Automotive Parts¹
- Books¹
- Janitorial Supplies¹
- Journals, periodicals and subscriptions
- Maintenance Supplies¹
- Minor Maintenance Services¹
- Minor/Routine Vehicle Maintenance Services²

¹ CPA term contracts are the 1st source for these goods and services. Review the CPA term contracts for goods or services availability. If the goods or services are not on term contract, the PCard may be used as the method of payment only with an approved requisition. If the needed goods or services are available via CPA term contract, issue a CPA term contract purchase order. Do NOT use the PCard.

² Only with FAO Purchasing PCard Administrator or Contract Coordinator - Team Lead approval.

- Minor Vehicle Maintenance including tires²
- Oil Changes²
- Registration fee for training courses and seminars unless the registration fee is being paid to another state agency or institution of higher education. (State agencies must submit interagency payments for goods and services using the Recurring Transaction Index (RTI) process in USAS when funding sources for both agencies are held in the State Treasury.)
- Reprographic Services
- Safety Supplies¹
- Small Tools/Hardware¹
- Training Supplies¹
- Computer peripherals and cables
- Videos
- DIR Purchases covered by a DIR Blanket Exemption

Prohibited Purchase Examples:

- Automotive fuel
- Capital equipment
- Catering
- Cash advance
- Controlled assets (item on the controlled asset listing, costing between \$500 and less than \$5,000 that a state property number is affixed. Examples include computer hardware and software.)
- Consulting services
- Employee holiday cards

- Employee party supplies
- Items available the Comptroller Term Contracts/Smartbuy
- Entertainment, alcoholic beverages or tobacco products
- Employee travel expenses (includes automobile rental, lodging and gas)
- Food, beverages, or condiments consumed by employees or visitors
- Holiday decoration of any kind, including components to make decorations
- Items available for purchase from Texas Correction Industries (TCI) of Texas Department of Criminal Justice or WorkQuest, unless WorkQuest items can be documented as “immediately needed”
- Items for cardholder’s personal use or benefit or for items unrelated to official state business
- Live or artificial indoor plants of any kind
- Goods and/or services from vendors that are owned in whole or in part by a TxDMV employee or his/her spouse
- Taxes, including Sales Taxes (CPA will not pay for taxes)
- Telephone Cards
- Upholstered furniture of any kind
- Postage or postage stamps
- Promotional items
- Memberships dues (exception, if they only accept PCard)

Procurement Card Reconciliation

Purpose

Prepare the monthly reconciliation between State of Texas procurement

card transactions processed by a cardholder, CAPPs and the charge card monthly billing statement, and submit for payment

Triggers

Documentation for each transaction must be gathered within 7 days of purchase.

Final requisition package due to Finance & Administrative Services Division
5 calendar days following the receipt of the credit card statement from
TxDMV's Procurement Card Administrator.

Transaction Requirements

- Purchase must meet the requirements for which the card was issued
- Purchase must still meet the procurement requirements set by the Comptroller's Office State Procurement Division
- Documented exception approvals required for not procuring good or service through Texas Correctional Institute (TCI) or WorkQuest
- Payment card cannot be used for Term Contracts or Managed Term Contracts
- Obtain the federal tax identification number (aka EIN) from the vendor (ex. IRS W-9 Form)

Receipt Requirements

1. Vendor Receipt
2. Franchise Taxable Entity Search
3. Vendor Hold Search
4. System for Award Management (SAM)
5. Debarred Vendor List
6. Divestment Statute Lists • Companies Engaging in Scrutinized Business Operations in Iran List (TGC §2270)
 - Companies that Boycott Israel (TGC §808)

- Designated Foreign Terrorist Organizations List (TGC §2270)
- Scrutinized Companies with ties to Foreign Terrorist Organizations List (TGC §2270)
- Scrutinized Companies with ties to Sudan List (TGC §2270)

7. Waivers or Other Exception Supporting Documentation

Requisition Package

Prepare a CAPPs requisition documenting all the transactions for the credit card billing cycle. A requisition line is required for each product/service from each vendor.

Requisition is completed and routed as a normal requisition to be processed by Purchasing with the following exceptions:

Requisition Name: PCARD-NNNN Month YYYY

NNNN is the last four digits of the procurement charge card Month YYYY is the statement billing cycle month and calendar year

Vendor Number Info: In comments of each transaction line, include vendor's tax ID number and address.

The requisition will route through the normal requisition workflow, Purchasing will review requisition and once approved will source to a Procurement Card Summary PO.