

**Texas Woman's University
University Regulation and Procedure**

Regulation and Procedure Name:	Purchasing Accountability and Risk Analysis
Regulation and Procedure Number:	URP: 04.370
Policy Owner:	Finance and Administration

POLICY STATEMENT

Texas Government Code 2261.256 states that each state agency shall develop and comply with a purchasing accountability and risk analysis procedure.

APPLICABILITY

This policy is applicable to TWU Students, Faculty, Staff, and Guests.

DEFINITIONS

None

REGULATION AND PROCEDURE

I. Regulation

The regulation addresses three main objectives used to assess the risk associated with purchasing process.

II. Procedures

The procedures must adhere to the following three objectives

A. Objective 1: Assess the risk of fraud, abuse, or waste in the contractor selection process, contract provisions, and payment and reimbursement rates and methods for the different types of goods and services for which Texas Woman's University contracts.

1. Contractor selection process. The purchase of goods and/or services typically will be awarded to the lowest responsive bidder; however, best value criteria may also be considered as allowed pursuant to Texas Education Code, 51.9335.

2. Contract provisions. Section XI.B of the TWU Contract Management and Administration Handbook outline provisions that should be included within TWU contracts.

3. Payment and reimbursement rates and methods for different types of goods and services. Payment should be consistent with the product or service delivered and structured to fairly compensate the contractor and encourage timely performance. Payment should reflect the value of the work performed. Members can control the payment process by dividing overall payment into smaller amounts to reflect increments of work or deliverables. By doing so, you can mitigate financial risk and limit the scope of a dispute to a discrete deliverable. Section XII.J of the TWU Contract Management and Administration Handbook lists example payment types used for different types of goods and services.

B. Objective 2: Identify contracts that require enhanced contract monitoring or the immediate attention of contract management staff.

1. Enhanced contract monitoring. The purpose of enhanced monitoring is to identify potential issues and risks in the contract and either mitigate or avoid the risk completely. TWU departments shall take these issues into account when determining which contracts will require enhanced monitoring.

a. For contracts that have been identified as requiring enhanced monitoring, each department shall establish a procedure to notify the Vice President of Finance and Administration (“VPFA”) as applicable.

b. If appropriate or required, the VPFA shall be notified and will work with the Chancellors Office and the Office of General Counsel to assure the Board of Regents is aware of all high risk contracts and any serious issues that arise during performance of the contract.

c. Below is a list of contracts that may require enhanced monitoring:

i. Outsourcing agreements

ii. Construction contracts (multi-trades)

iii. Contracts over \$1,000,000 Agreements that require progress payments based on performance

iv. Agreements that extend beyond five years

- v. Agreements where a vendor is failing to meet their obligations
 - d. In addition to the list above each member may establish additional parameters or types of contracts that require enhanced monitoring. Additional information on contract monitoring can be found in XII.G of the TWU Contract Management and Administration Handbook.
 - 2. Contract Management review. The TWU Contract Management and Administration Handbook, Section XII.C, outlines the responsibilities of the Contract Manager. This includes review of solicitation documents as well as review and approval of the terms and conditions of the proposed contract. These responsibilities apply to all contracts, including those that require enhanced monitoring.
- C. Objective 3: Establish clear levels of purchasing accountability and staff responsibilities related to purchasing.
 - 1. Regent Policy E.50200: Signature Authority for Contracts and Agreements establishes the contract administration and delegation of authority for the Board of Regents and authorized TWU personnel to approve, sign and execute contracts committing TWU to an approved act.
 - 2. URP 04.360: Purchase of Goods and Services sets out the guidelines that allows for the procurement of goods and/or services according to sound business practices and best value. Each employee shall promulgate standard operating procedures as necessary to facilitate and expedite the acquisition of goods and/or services.

REVIEW

This policy will remain in effect and published until it is reviewed, updated, or archived. This policy is to be reviewed once every six years. Interim review may be required as a result of updates to federal and state law or regulations, Board of Regents policies, or internal processes or procedures.

REFERENCES

Texas Government Code 2261.256

Texas Education Code 51.9335

[TWU Contract Website](#)

[Regent Policy E.50200: Signature Authority for Contracts and Agreements](#)

[URP 04.360: Purchase of Goods and Services](#)

FORMS AND TOOLS

None

<p>Publication Date:</p> <p>Next Review:</p>
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