

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

The purpose of this policy is to develop and comply with a purchasing accountability and risk analysis procedure per Texas Government Code 2261.256. In doing so, Texas Woman's University ("TWU") actively serves as a responsible steward of its allocated resources.

APPLICABILITY

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

DEFINITIONS

1. "Faculty" means an individual who is employed by TWU as a member of the faculty and whose duties include teaching, research, service, and administration. Professional librarians and graduate assistant titles are excluded from the definition of faculty.
2. "Guests" means any individual not affiliated with TWU.
3. "Staff" means each classified, administrative, and professional employee who is appointed to work in a regular full time or regular part time position, excluding students employed in positions for which student status is required as a condition of employment and those employees holding teaching and/or research positions classified as faculty.
4. "Student" means a person taking courses at TWU, a person who is not currently enrolled in courses but who has a continuing academic relationship with TWU, or a person who has been admitted or readmitted to TWU.

REGULATION AND PROCEDURE

I. TWU Responsibilities

To effectively assess the risk associated with the purchasing process, the TWU Procurement Office and all university departments share a responsibility for the following:

A. Assessing 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 TWU contracts.

1. Contractor selection process

The purchase of goods and services typically will be awarded to the lowest responsive bidder; however, best value criteria may also be considered as allowed pursuant to Texas state law requirements related to the acquisition of goods and services.

2. Contract provisions

Provisions that should be included within TWU contracts are outlined in the TWU Contract Administration and Management Handbook Section XI.B.

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. TWU departments 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 Administration and Management Handbook lists example payment types used for different types of goods and services.

B. Identifying 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 and risks 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 Chancellor’s 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. Contracts that may require enhanced monitoring are as follows:
 - i. Outsourcing agreements;
 - ii. Construction contracts (multi-trades);
 - iii. Contracts over \$1,000,000;
 - iv. Agreements that require progress payments based on performance;
 - v. Agreements that extend beyond five years; and
 - vi. Agreements where a vendor is failing to meet their obligations.
- d. In addition to the list above, each department may establish additional parameters or types of contracts that require enhanced monitoring. Additional information on contract monitoring can be found in the TWU Contract Administration and Management Handbook Section XII.G.

2. Contract management review

The TWU Contract Management and Administration Handbook, Section XII.C, outlines the responsibilities of the Contract Manager. Responsibilities include 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. Establishing 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 services according to sound business practices and best value. Each department shall promulgate standard operating procedures as necessary to facilitate and expedite the acquisition of goods and 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](#)

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

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

FORMS AND TOOLS

[TWU Contract Website](#)

[TWU Contract Administration and Management Handbook](#)

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