

PROCUREMENT

I. PURPOSE:

To establish the general policies which will govern the purchase of goods, supplies, services, equipment and capital assets.

II. DEFINITIONS:

Advertising –

A form of public notice of an intended purchase.

Best Value –

Considers the best interests of persons served, the public, and STAIVA in securing the best price and quality based on availability and adaptability for the use of funds to meet documented and authorized needs.

Bid –

The executed document submitted by a Bidder in response to an Invitation for Bids, a Request for Quotation, or a multi-step bidding procedure.

Bid Opening –

Bids will NOT be made public until the Board of Directors agree on the winning bid and ONLY of client (s) or public request.

Capital Assets –

Land, buildings (including construction and renovation), or equipment with an original cost of \$5,000 or more and with a life expectancy of two or more years.

Community Based Service (s)–Any and all business that is done between STAIVA and business entities shall have a contract intact with the cost associated with the services provided. No contract shall be more than a year in duration.

**Cooperative Purchasing–
(Co-Op Vendors)**

(1) The combining of requirements of two or more political entities to obtain the advantages of volume purchases, reduction in administrative expenses, or other public benefits. (2) Procurement conducted by, or on behalf of, more than one Public Procurement Unit, or by a Public Procurement Unit with an External Procurement Activity.

Direct Services – Services to the priority population that include but are not limited to residential services, vocational training, psychosocial programs, and general hospital services.

Emergency Purchase – A purchase made without following normal purchasing procedures in order to obtain goods or services to meet an urgent and unexpected requirement where health and public safety or the conservation of public resources is at risk.

Equipment – Property of a durable nature which retains its value throughout its useful life.

Formal Bid or Offer – A bid which must be submitted in a sealed envelope and in conformance with a prescribed format, to be opened at a specified time and date by the Board of Directors.

Goods – Wares, merchandise.

Informal Bid – An unsealed competitive offer conveyed by letter, telephone, facsimile, or other means and under conditions different from those required for formal bidding.

Invitation for Bid – (1) The solicitation document used for competitive sealed bidding, the customary method used by state and local governments for the purchase of equipment, materials, supplies, and construction. (2) All documents, whether attached or incorporated by reference, utilized for soliciting bids.

Late Bid Proposal – A bid or proposal received at the place specified in the solicitation after the time designated for all bids or proposals to be received.

Open Enrollment – Used by a Local Authority to procure qualified contractors for inclusion in the Local Authority's provider network.

Procurement – The procedures for obtaining goods or services, including all activities from the planning steps and preparation and processing of a requisition, through receipt and acceptance of delivery and processing of a final invoice for payment. The acts of preparing specifications, evaluating bids or proposals, making awards, and administering contracts are involved; in some context property management is implied.

Professional Services –

Services within the scope of the practice of accounting, architecture, land surveying, optometry, medicine, or professional engineering, real estate appraising, or professional nursing as defined by *Texas Government Code*, Chapter 2254, Professional and Consulting Services. Services within the scope of medicine include hospital services, nursing, physical therapy, occupational therapy and professional consultation relative to laboratory services and pharmacy.

Proposal –

The executed document submitted by an offeror in response to a Request for Proposal (and the basis for subsequent negotiation).

Quotation –

A statement of price, terms of sale, and description of goods or services offered by a prospective seller to a prospective purchaser, usually for purchases below the amount requiring formal bidding; the stating of the current price of a commodity, or the price so stated.

**Request for Information–
(RFI)**

The document used in informal, uncompetitive solicitation of information, data, comments, or reactions from possible suppliers preceding the issuance of a Request for Proposal or a multi-step bidding procedure.

**Request for Proposal–
(RFP)**

(1) All documents, whether attached or incorporated by reference, utilized for soliciting (competitive) proposals. The RFP procedure permits negotiation of proposals and prices as distinguished from competitive bidding and an Invitation for Bids. (2) The solicitation document used in the competitive negotiation process. The procedure allows changes to be made after proposals are opened and contemplates that the nature of the proposals and/or prices offered will be negotiated prior to award.

Sealed Bid –

A bid which has been submitted in a sealed envelope to prevent its contents being revealed or known before the deadline for the submission of all bids; usually required by law or rule on major procurements, to enhance fair competition.

Services –

Intangible requirements that necessitates human resources to meet the needs and demands of the STAIVA and its clients.

Sole Source Procurement – An award for a commodity or service to the only known capable supplier, occasioned by the unique nature of the requirement, the supplier, or market conditions.

Supplies or Support Services Contract/Agreement– A contract for a specified period of time between the STAIVA and a contractor or subcontractor to provide specified supplies or ancillary and support services for a designated sum in areas including, but not limited to laundry, housekeeping, grounds maintenance, plant maintenance, food services in radiology, laboratory, pharmacy, and security services.

Supplies –

(1) Customarily, items that are consumed or expended in the course of being used, as distinguished from equipment and materials; but in some purchase terminology, all items except construction and services. (2) All property, including but not limited to equipment, materials, printing, insurance, and leases of real property, excluding land or a permanent interest in land.

Uniform Commercial Code – Uniform statute law adopted by states for consistency and modernity in law governing commercial transactions.

III. POLICY:

- A. Consider the best interest of persons served and the public at all times.
- B. The STAIVA shall have written operating policies and procedures for purchases and the procedures will incorporate proper internal control and business practice for the acquisition of goods, supplies, services, equipment, and capital assets.
- C. All purchases are made in a manner that assures the prudent use of STAIVA resources and provides the STAIVA best value.
- D. Approvals must be obtained from the Board for all equipment, capital assets, goods and services as stated below unless identified in the budget approved by the Board. The Executive Director (ED) or designee may approve all other purchases.
 1. “No Veteran Left Behind” Unit costs in excess of \$5,000.00
 2. All property leases/contracts:
 3. Other leases, or rental agreements, in excess of \$2,000 per month;

4. Lease-purchase agreements in excess of \$8,000 for the total amount of the agreement;
5. Direct Service Contracts in excess of \$10,000 unless services are performed in an open enrollment process;
6. Professional service contract agreements in excess of \$200/hour or \$10,000 executed contract total;
7. Supply and/or support service contract agreements of \$200/hour or \$10,000 executed contract total.

E. Quarterly reports shall be provided to the Board on the following:

1. Purchases and leases with a unit cost of \$5,000 or above unless previously approved by the Board;
2. Lease or rental agreements with an executed total of \$2,000 or more;
3. Contracts and agreements that have exceeded \$10,000 and \$200/hour in annual expenditures unless previously approved by the Board.

F. Bid Requirements – The STAIVA Operating Policies should use the following criteria in making determination of best value for the STAIVA.

1. The STAIVA shall use, when appropriate, approved cooperative purchasing (co-op) vendors, such as Texas Cooperative Purchasing Network (TCPN), to assist in compliance with all state contracting/purchasing rules and regulations. The Texas Procurement and Support Services Cooperative Purchasing Program (State of Texas Co-Op) provides the State of Texas volume purchasing power to local governments. Members can purchase goods and services from Texas Smart Buy (TxSmartBuy), Texas Multiple Award Schedules (TXMAS), and Department of Information Resources (DIR) contracts. Using these contracts through the State of Texas Co-Op meets the STAIVA's competitive bidding requirements.
2. If co-op vendors are not available, the following bid requirements are required.
 - a. Under \$1,000 – no bid required unless determined by the Chief Financial Officer (CFO) or designee.
 - b. Between \$1,000 and \$5,000 – informal telephone bids with a minimum of two vendors with documentation of services being provided.



- c. Between \$2,000 and \$5,000 – informal written bids with a minimum of three vendors with documentation of best value.
- d. Between \$5,000 and \$10,000 – formal written bids with a minimum of three vendors with documentation of best value.
- e. Over \$10,000 – formal bids required in response to issuing an Invitation for Bid or Request for Proposal. Processed in accordance with *Local Government Code, Chapter 252, Purchasing and Contracting Authority of Municipalities*, specifications are written and legal notices are published at least once a week for two consecutive weeks in a local newspaper with a minimum of 14 days from the initial date to public opening of sealed bids. Late bids are not accepted. Awards will not be made until the appropriate staff has ample time to review each bid proposal with an evaluation and recommendation for award.
- f. STAIVA’s formal bidding process will be followed for the purchasing of advertising on a cost per unit basis. Rate cards will be accepted as formal bids when submitted.
- g. Sole source and non-competitive proposals should be used only under specific circumstances when 2a-e above are not feasible.



- 3. Emergency Purchases – The Board of Directors Treasurer may approve an emergency purchase and shall inform the Board President prior to the emergency purchase, if possible. A ratifying resolution shall be presented at the next Board meeting.
- 4. Attempts will be made to use historically underutilized businesses (HUBs), in accordance with the STAIVA’s HUB Plan.

- G. Members of the Board of Directors and employees may not accept (directly or indirectly) from any person, company, firm, corporation, or other entity to which any purchase or contract is made, or might be awarded, any rebates, gifts, money or anything of more than \$50.00 in value.
- H. All of STAIVA’s staff must sign a “Declaration of No Conflict of Interest”.
- I. No items for personal ownership or use for non-STAIVA related purpose may be purchased through the STAIVA purchasing process, including STAIVA credit cards.

IV. REQUIRED DOCUMENTATION:

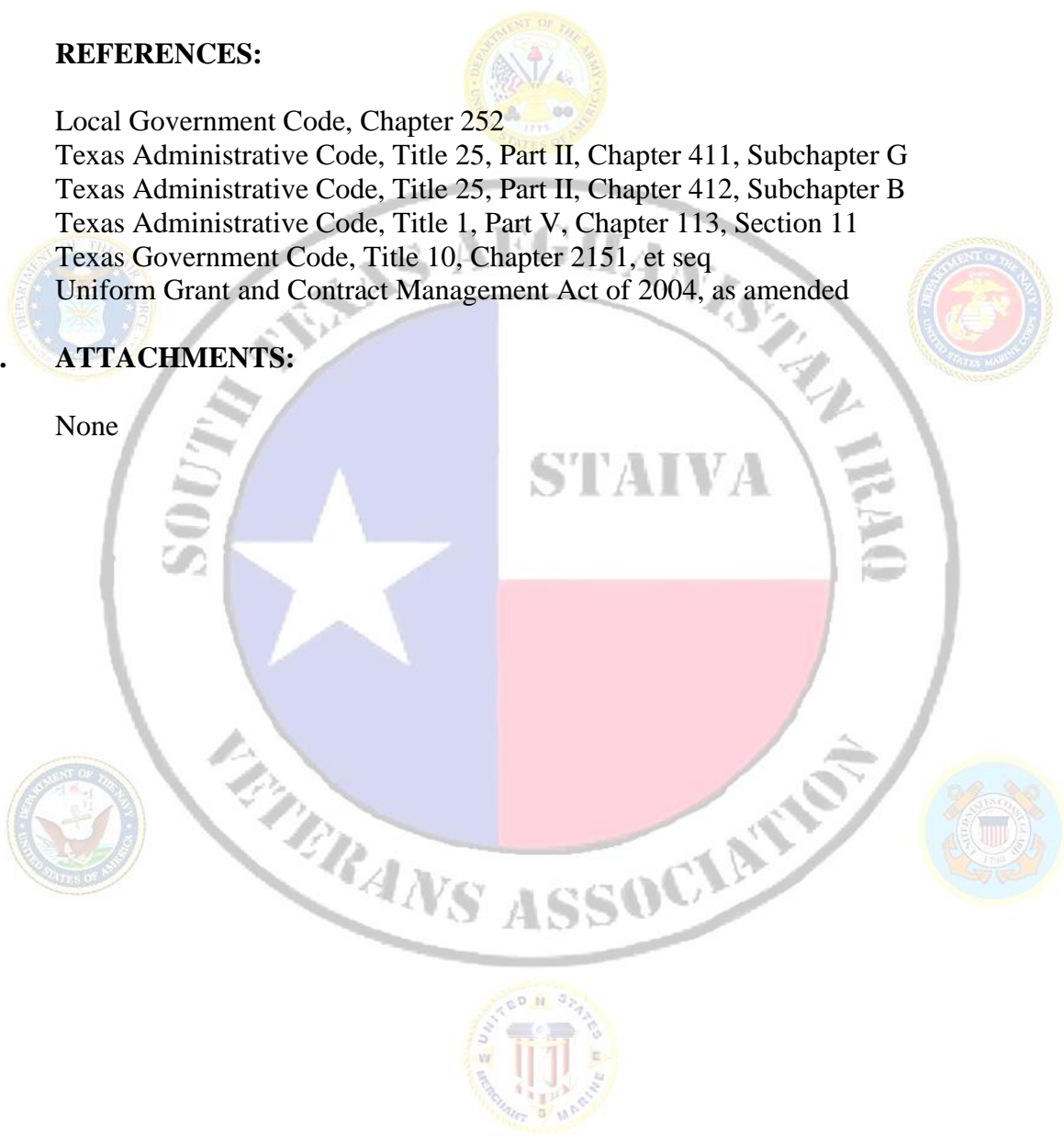
Declaration of No Conflict of Interest
Vendor Selection Documentation

V. REFERENCES:

Local Government Code, Chapter 252
Texas Administrative Code, Title 25, Part II, Chapter 411, Subchapter G
Texas Administrative Code, Title 25, Part II, Chapter 412, Subchapter B
Texas Administrative Code, Title 1, Part V, Chapter 113, Section 11
Texas Government Code, Title 10, Chapter 2151, et seq
Uniform Grant and Contract Management Act of 2004, as amended

VI. ATTACHMENTS:

None



“No Veteran Left Behind”