



Purchasing Training

June 15, 2023



Purchase Requisition

- This is a request from an end user/department to buy goods or services. An internal review and approval is performed and once determined a purchase is to be made and the total spend exceeds your department delegation of \$10K a purchase requisition is submitted to Procurement Services. All backup documentation for this purchase (quote, internal approvals, drawings, sole source justifications, etc.) shall be attached to the requisition. AggieBuy is your filing cabinet – anything associated with this purchase is to be attached.



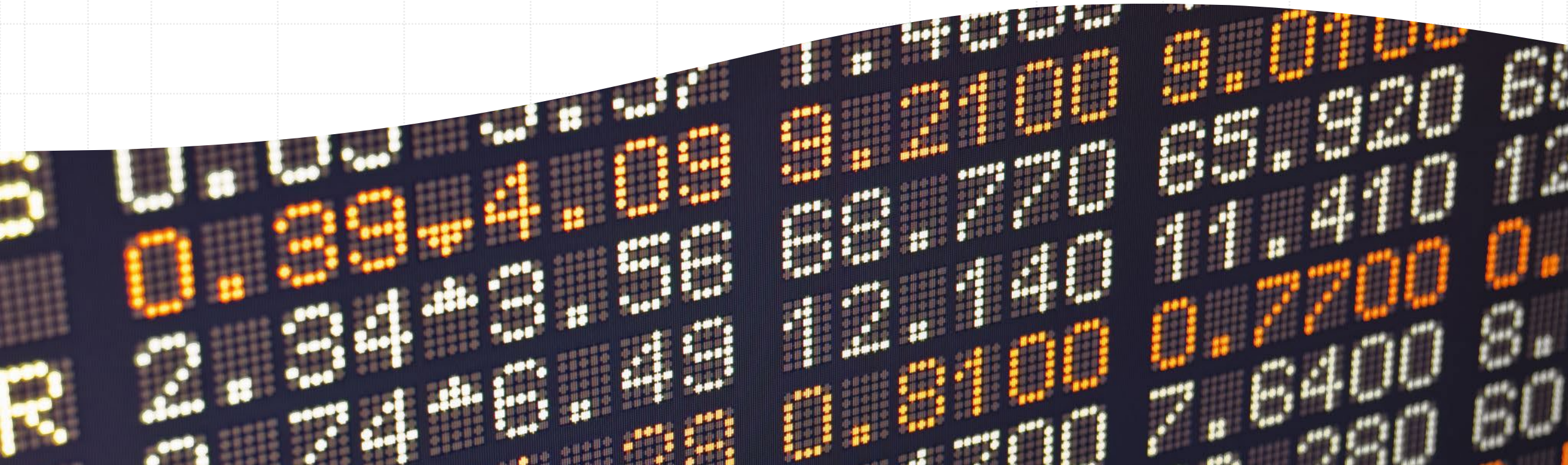


Purchase Order

- A purchase order is a legal document form used by Procurement Services to place an order with a supplier. A purchase order specifies items, quantities, prices and terms of the purchase. A purchase order becomes a legally binding contract when a vendor accepts a purchase order. The purchase order document will provide a record of all approvals that are required prior to order placement. Examples of these approvals are – Department approvals, Export Control, IT Accessibility, IT Security, SRS approval, etc.
- The purchase order will be linked to the purchase requisition and all documentation from both documents can be viewed by clicking on the “Attachment” tab within AggieBuy.

Vendor Quote/Proposal/Order Form

- When requesting pricing from vendors, vendors will typically send a quote that details their offer. In some cases, they send a proposal or order form that provide the details. No matter what they call it – it is just an offer. Their offer will need to detail what they are providing, what quantity, pricing, payment terms, delivery terms and freight terms.
- When Procurement Services issues a purchase against the vendor quote, this means we accept their offer.



Informal Quote/Bid Process

- The informal quote/bid process is performed by Procurement Services when a purchase is within \$10,000.01 and \$24,999.99. Procurement Services will reach out to a minimum of 3 vendors to obtain pricing, with at least two vendors being a HUB vendor. This process is typically done via email with pricing due within 3 to 7 days.





Formal Bid Process

- The formal bid process is performed by Procurement Services when the purchase is \$25,000+ by issuing an Invitation to Bid, Request for Proposal or Request for Qualifications. This process is longer than the informal process, as the bid must be posted for a minimum of 14 days on the State of Texas, Electronic State Business Daily (ESBD) site as well as posted on the TAMU AggieBid site. The request is also sent to the entire Central Masters Bidders List (CMBL) for that commodity and/or service.




CMBL

- The CMBL is the Central Masters Bidders List that is managed by the State of Texas. Any vendor wishing to do business with an agency of the state is required to register as a bidder. When searching the CMBL, you search by using the National Institute of Government Purchasing (NIGP) code, which is broken down by commodity or service. The CMBL also tracks if the vendor is designated as a State of Texas certified HUB vendor.



Invitation to Bid

- The invitation to bid process is utilized when we know what we want. For example, we want one (1) Sony television, model XYZ. We can send out a bid request asking for this specific item and the vendors can return to us their offer. When using an invitation to bid, we must be specific and provide details of what we want. If the product/service description is not specific, it can lead to assumptions and vendors will not be able to provide accurate offers.
 - Procurement Services can add specific requirements on the bid that can become part of the award criteria in order to select the best value for the university.
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Request for Proposal



A Request for Proposal is utilized when we know what we want, but don't know how to get there or we know what we want but don't know what solutions are out there in order to get the project done. An example might be, we want to offer a microwave and refrigerator to any student that is housed in the residence hall. We know what we want, but we don't know if there is a vendor out there that can provide this to the students and how it would be implemented.



Procurement Services works with the department to determine the Scope of Work including the requirements that are needed. This process takes additional time as there are additional steps that must be followed during the review/evaluation process.

Request for Qualifications

The Request for Qualification process is utilized when we need to contract with a professional that has a license, such as a CPA, Architect or Engineer. This process is also utilized when we want to award based on qualifications. An example would be a Pool of Vendors for Air Charter Services. We have a set criteria that all vendors must meet in order to be placed into the pool. Then when services are required, we request pricing from the vendors that have been placed in the pool.

Procurement Services works with the department to determine the Scope of Work including the requirements that are needed. This process takes additional time as there are additional steps that must be followed during the review/evaluation process.



Steps to a Request for Proposal

- A purchase requisition is submitted to Procurement Services with a Scope of Work attached. The estimated total project value will also need to be provided.
- A draft RFP document is created by Procurement Services and sent back via comments within AggieBuy to the end user. This is done between the end user and Procurement until the RFP document is ready to be sent out.
- The end user will need to create their evaluation team that will review and score proposals once we get to that stage. The evaluation team will assign a chairperson that will serve as the leader of the team.
- The evaluation committee is required to have a minimum of three (3) people with no maximum.



Steps to a Request for Proposal (cont')

- Document is ready! Procurement Services will post the RFP to the ESBD, AggieBid and send out to the entire CMBL for that commodity and/or service as well as any suggested sources provided.
- The first deadline will be for vendors to submit their questions to Procurement Services via email. The deadline for questions is typically one (1) week after the RFP has been sent out.
- Procurement Services will gather all questions received and create an Addendum form. Procurement Services works evaluation committee to answer all questions and complete the Addendum form. Answers are typically required to be sent back out to the vendors within 3 days of their due date. NOTE: this can vary depending on the project as well as the number of questions received. If required, we extend the due date of the RFP. All questions must be answered, posted and sent back to the vendors before the RFP request can be opened.



Steps to a Request for Proposal (cont')

- Once the Addendum with all questions/answers are posted and sent out to vendors, the vendors will have approximately 1 to 2 weeks to respond to the request.
- The due date has arrived – Procurement Services will review all offers to ensure all documentation has been provided and all requirements have been met.
- If the request exceeds \$100K, the HUB Subcontracting Plan will be a requirement that must be returned with the vendor's proposal response. The HUB plan must be approved by the HUB Program Office prior to any proposal moving to the evaluation stage.
- If a HUB Subcontracting Plan is not approved by the HUB Program Office, the vendor's entire proposal response will be disqualified.
- Procurement Services has now determined the proposals that will move to the evaluation stage. All proposals, evaluation score sheets, non-disclosure forms and tabulation form are sent to the evaluation committee chairperson to distribute to the team.



Steps to a Request for Proposal (cont')

- Each member of the evaluation committee will sign a non-disclosure form and score each proposal. Non-disclosure form just means, anything you see, read, hear, etc., during the evaluation process will not be shared until a formal award has been made.
- All non-disclosure forms and evaluation scoresheets are returned to Procurement Services.
- Procurement Services will create a summary scoresheet to determine the top ranked vendor(s).
- The following steps are optional and are used differently depending on the project.
- **Vendor Presentations** – some projects require the need for vendors to provide presentations to answer questions or provide clarifications of their offer. In some cases, we have invited the top 2-4 vendors to provide presentations to assist the evaluation committee in determining the best value for the university.



Steps to a Request for Proposal (cont')

- The evaluation committee will determine a script and evaluation criteria that will be utilized for the presentation.
- Procurement Services works with each vendor to schedule the meetings and provide the script and evaluation criteria to each vendor.
- Once presentations are complete, the evaluation team will score each presentation and return those score sheets back to Procurement Services.
- Procurement Services will update the summary score sheet and advise the committee of the top ranked vendor.
- Once the vendor we wish to award to has been selected, the evaluation team has the option to request a Best and Final Offer (BAFO).
- **BAFO** – a BAFO will be created asking the vendor to provide better pricing, improve a service, offer a certain service, etc., anything that the committee believes needs to be improved. The BAFO criteria is determined by the evaluation committee.



Steps to a Request for Proposal (cont')

- Procurement Services will assist with creating the BAFO letter and will send to the vendor with a deadline for submission.
- Upon receipt of the BAFO, Procurement Services will send to the evaluation committee for their review and approval.
- Once approved and the evaluation committee is ready to award, Procurement Services will send the vendor an award letter.
- Award Letter - the vendor is asked to submit a copy of their formal contract that incorporates, the RFP document, their proposal, presentation and BAFO (or any mixture) for review and execution. In this letter we also ask the vendor to waive the formal contract and work with Procurement Services to create a TAMU Purchase Order. If they agree to waive the formal contract, the vendor will return the award letter signed back to Procurement Services.



Steps to a Request for Proposal (cont')

- If the vendor elects to submit a formal contract for the project, once received from the vendor, Procurement Services will review the contract as well as send to the evaluation committee to ensure the scope of work mirrors their offer.
- Once the formal contract has been approved by the evaluation committee, the contract is then sent to Contract Administration for their review and execution.
- The award document(s) will either be the signed formal contract and TAMU Purchase Order that refers to the signed formal contract or just a TAMU Purchase Order that refers to the RFP documentation.
- The requisition that was provided at the beginning of the process will be utilized to create the TAMU Purchase Order.
- All payments are made against the purchase order.
- If the project is for a multiple year agreement, Procurement Services will assist with keeping track of these orders and work to have the renewals issued as applicable.

Questions????

