TEXAS REAL ESTATE COMMISSION

PROCUREMENT PLAN

NOVEMBER 30, 2016

Texas Comptroller of Public Accounts
Statewide Procurement Division
Agency Procurement Plan Template

Instructions:
Please complete the information below and submit it with the requested attachments to amy.comeaux@cpa.texas.gov by January 31, 2017.

General Information

Agency Name: Texas Real Estate Commission
Agency Number: 329

Procurement Director Contact Information

Name: Sandy Jones
Phone Number: (512)936-3589
E-mail Address: sandy.jones@trec.texas.gov

Purchasing Capacity Assessment

Dollar value of agency delegated purchases for FY16: $137,395.94
Number of purchasing FTEs: 2
Automated purchasing tools used by the agency (if applicable): Microsoft Excel

Please attach the following:

- Copy of agency's purchasing and contract management procedures which include protest procedures developed by the agency. See attached.
- Credit card procedures regarding the issuance and security of payment cards and the use of those cards by the agency's employees. See attached.
- Attach or provide links to any SAO audits of purchasing and contract management functions for FY15-FY16 No audits performed for FY15-FY16
- Attach or provide links to any Comptroller post payment or procurement audits for FY15-FY16 No audits performed for FY15-FY16

Certified Procurement Professionals

Number of certified purchasing FTEs: 2
Number of certified contract management FTEs: 2

Please attach the following:

- Name, title and certification number for each purchasing FTE - See attached
- Name, title and certification number for each contract management FTE - See attached

Delegated Purchasing Assessment

Please list the names of personnel with delegated signature authority for proprietary justifications:

Douglas E. Oldmixon, Executive Director

Please complete the table below with the requested information on your agency's five delegated purchases anticipated to have the highest expenditure for FY17.

Delegated Purchase	Anticipated Value for FY17	Previous FY Value for same/similar purchase:	Name of current vendor:	Has the agency looked for the item on CPA or DIR contract? (Y/N)
Internal audit services	35,109.00	46,615.00	McConnell & Jones LLP	Y
Video-streaming services	15,600.00	6,400.00	AdminMonitor, Inc.	Y
Exam development for CE courses	12,691.00	12,691.00	PSI Services LLC	Y
Employee Training	9,885.00	N/A	Alice Dendinger Alliance Group	Y
Court reporting services	6,012.00	1,423.00	Kim Tindall & Associates	Y

TEXAS REAL ESTATE COMMISSION
INTERNAL PURCHASING PROCEDURES

The Purchasing Section is within the Staff & Support Services (SSS) Division of the Texas Real Estate Commission (TREC). TREC Purchasers also have the authority to purchase for the Texas Appraiser Licensing and Certification Board (TALCB), an independent subdivision of the Texas Real Estate Commission. The Purchasing Section consists of the following two positions:

Purchaser VI
Purchaser II

PURCHASE REQUISITION INITIATION AND APPROVAL PROCESS

A Purchase Requisition Form is prepared by program personnel desiring goods or services. The requisition form must be approved (in writing) by the Division Director of the requesting division. Division Directors have the authority to approve purchases up to $1,500. Purchase requests exceeding $1,500 require approval by the TREC Assistant Administrator or TREC Administrator. The approved requisition form is sent to the Purchasing Section in the Staff and Support Services Division. The Purchaser reviews the requisition then forwards it to the Director of Staff Services/Chief Financial Officer (or Chief Accountant in the absence of the Chief Financial Officer) for review and certification of funds. All routine requisitions for envelopes, paper, supplies, etc. not to exceed $2,500 and requisitions for postage not to exceed $5,000 are approved by the Director of Staff and Support Services/Chief Financial Officer (or Chief Accountant in the absence of the Chief Financial Officer). Upon all necessary approvals, purchase requisition forms are returned to Purchasing for processing.

PURCHASE REQUISITION PROCESSING

1. A Purchase Requisition Form is received in the Purchaser's office.

2. The Purchaser reviews the requisition for the following:
    a) appropriate approval signatures
    b) complete and specific description of the item being requisitioned; the Purchaser may need to communicate with the end user to clarify their need if the purchase requisition is unclear or lacks information
    c) quantity
    d) date desired or needed
    e) justification for purchase
    f) estimated cost if known

3. If the cost is over $14,000 and is a new acquisition, a Contract Routing Sheet should be completed by the purchaser and circulated with the attached contract for review and approval by the appropriate team members. Contract Routing Sheets are not required for procurement of services through an Interagency Cooperation Contract (IAC), Memorandum of Understandings (MOU) or Letter of Agreements (LOA).

PURCHASE ORDER PROCESSING

1. Determine the estimated dollar amount of the purchase.

2. Determine the commodity class and item number for the item being purchased. Use the Texas Procurement and Support Services (TPASS) website to access the NIGP Commodity Book at: http://www.window.state.tx.us/procurement/tools/comm-book/

3. Based on the commodity class and item, delivery requirement and cost, identify the appropriate purchasing method to be used. Refer to the TPASS Procurement Manual at https://www.comptroller.texas.gov/purchasing/publications/procurement-manual.php. Check to see if the item can be purchased through a set aside program (TIBH or TCI) Re: TPASS Procurement Manual, Section 2.5.

4. After determining which purchasing method should be used, a purchase order number (also known as requisition number) is assigned. The purchase order number is assigned from the Purchase Order (PO) Log book. The information required in the PO Log is completed for each number. The Purchase Requisition Log book is maintained in electronic format (MS Excel) on a shared drive for access by the Staff & Support Services (SSS) division.

5. The following purchasing methods are ones most commonly used by TREC. Refer to Procurement Manual at for additional purchasing methods and more detailed information.

NON-DELEGATED PURCHASES:
TERM CONTRACTS (See Section 2.6 of Procurement Manual)

1) **Automated Contract (PCC: A)**
Commodities/services available through a term contract with the TPASS are ordered using the TPASS TX SmartBuy Purchasing System. See Procedures for Accessing TX SmartBuy System at: http://www.txsmartbuy.com/. Upon placing the order through SmartBuy, a purchase order is automatically generated by the SmartBuy system and sent to the vendor and TREC via e-mail. The p.o. is saved in the Purchase Orders folder on the SSS common drive, printed and stapled to corresponding requisition in and placed in the TREC suspense file, titled "Contract Purchase Orders". This folder is located in the rolling file cabinet in the Lead Purchaser's office. Examples of automated contract purchases are paper, envelopes, file folders, furniture, etc.

2) **Non-automated Contract (PCC: C)**
Commodities/services available through a TPASS managed term contract, but are not available using the TPASS SmartBuy Purchasing System. The purchaser issues an internal Purchase Order and sends one (1) original directly to the vendor and retains one (1) copy for the TREC suspense file, titled "Contract Purchase Orders". Examples of these types of purchases are overnight delivery services, document destruction/storage services, temporary employee services, etc.

3) **Council on Competitive Government (CCG) Contract (Doc Type 9):**
Commodities/services available through CCG contracts are ordered by issuing an internal Purchase Order directly to the vendor. The original purchase order is sent to the vendor and one (1) copy is retained in the TREC purchasing file specifically for that purchase. Examples of CCG purchases are presort mailing services and imaging services.

TEXAS MULTIPLE AWARD SCHEDULES (TXMAS) CONTRACTS (PCC: X)

1) The use of TXMAS contracts was developed by TPASS from contracts that have been competitively awarded by the federal government or any other governmental entity of any state. TXMAS contracts have very favorable pricing, but agencies may negotiate a lower price for the goods or services offered on a schedule contract. A "best value" purchase can be made using the TXMAS purchasing procedures. See Procurement Manual 2.8.1 or https://www.comptroller.texas.gov/purchasing/docs/procurement-manual/2-8-1.pdf.
   The purchaser may search TXMAS contracts on the TPASS web site at: http://www.txsmartbuy.com/contracts?filterBy=TXMAS

2) TXMAS purchases are ordered using the TXSmartBuy system with the purchase order being automatically generated and sent to the vendor and the agency as described above for automated purchase orders.

OPEN MARKET PURCHASES (see Section 2.7 of Procurement Manual)

For commodities $25,000 - $100,000 (not services) - PCC G
Purchases exceeding $25,000 for commodities (not IT) are submitted to TPASS as an Open Market Requisition. Purchases over $25,000 must be advertised (posted) on the Electronic State Business Daily (ESBD) also known as the *Texas Marketplace* at (See Section 2.23 of Procurement Manual). If posted electronically, the purchase must be advertised for 14 calendar days. If not available electronically, then it must be posted 21 calendar days. To access the Procurement Section of the ESBD, go to https://portal.cpa.state.tx.us/, enter user ID and password (this can be found in the Electronic Business Daily folder) in the Lead Purchaser's office.

DIR CONTRACTS (PCC: I) - See DIR website at: http://dir.texas.gov/View-About-DIR/FAQs/Pages/Content.aspx?id=7#item9

The Purchaser must buy information technology (IT) commodities and services through the Department of Information Resources (DIR) contracts unless an exemption applies. Before submitting an Exemption Request to DIR, Blanket exemptions can be found on the DIR website at: http://dir.texas.gov/View-Contracts-And-Services/Pages/Content.aspx?id=3. If the item is available on a DIR contract, it must be purchased from that contract unless an exemption is requested by the agency and granted by DIR. A Request for Offer (RFO) or Request for Quote (RFQ) is sent to the DIR vendor for the product or service being requested. It is best practice for the Purchaser to attempt to receive three offers and award the purchase based on the best value for the agency. The purchase order is issued and sent directly to the vendor. The DIR contract number must be referenced on the purchase order.

Threshold Requirements:

Commodities (Hardware, software and some services):

- $50,000 or less – May award directly to vendor of choice on DIR contract;
- More than $50,000 but less than $150,000 – Must request three (3) offers from DIR vendors;
- More than $150,000 but less than $1 million – Must request six (6) offers from DIR vendors;
- Thresholds do not apply to contract for telecommunications services, such as TEXAN services.

Statement of Work (SOW) Requirements

- For purchase of services with an estimated value of more than $50,000 but less than $1 million, DIR must review SOWs for the following contracts:
  - Deliverables-Based Information Technology (DBITS)
  - Managed Services for Information Technology
  - IT Security Services
  - Cloud Services (when an SOW is executed)
  - Comprehensive Web Development

If the item is not available on a DIR contract, an exemption request must be submitted to DIR and another procurement method must be used upon approval of the DIR exemption request. Purchases of information technology commodities or services not available through DIR contracts should be coded with **PCC D**.

DELEGATED PURCHASES (See Section 2.10 of Procurement Manual)

1) $0 - $5,000 (PCC: E) - For items not on contract through TPASS that are $5,000 or less. These are also referred to as "Spot Purchases". Bids are not required for purchases $5,000 or less, however it is in the best interest of the agency for the Purchaser to contact two (2) or three (3) vendors and get bids to ensure costs are reasonable. If the Purchaser contacts more than one vendor, at least one of the vendors must be a HUB certified vendor (if available for that commodity).

Prior to making an award for any delegated purchase or prior to the renewal of a contract, the purchaser conducts a search for exclusions for award and renewal purposes through the System for Award Management (SAM) website at: https://www.sam.gov/portal/SAM/##11 for the vendor's company name and name of individual signing bid document.
For routine "spot purchases", the Texas Real Estate Commission will conduct a quarterly search of exclusions records for each vendor used. EPLS searches for frequently used vendors are stored electronically on the SSS common drive, Purchasing folder, EPLS Sheets subfolder.

Before a purchase order is issued, the purchaser verifies that the vendor is not listed with an exclusion on the SAM website by performing a search (Re: https://www.comptroller.texas.gov/purchasing/publications/sam-epls.php

In SAM, you can enter multiple search terms in the search bar. If you export your search results to the PDF, only the first term is displayed. There are several possible workarounds. For each, you begin by entering your search term on the Search Records page and click Search.

Workaround 1:
1. Click the Search Records tab at the top of the SAM Homepage.
2. Enter your search term and click Search.
3. On the Search Results page, click the Print button.
This prints the first page of your search results. You will be able to see your search terms and results. NOTE: If you have more than 1 page of search results, the additional pages will not be included in the print out.

Workaround 2 (Search to see if a person is excluded):
1. Click the Search Records tab at the top of the SAM Homepage.
2. Enter your search term and click Search.
3. If you are searching to see if a person is excluded, on the Search Results page, click Performance Information filter.
4. Click OK to the pop-up message.

5. Select Entity Information filter
6. Select Individual Name filter
7. Select First Name, Middle Name (if applicable), and Last Name filter
8. Enter person's name.
9. Click Apply Filters
10.Once the search is complete, click Save PDF.
11.You will see the person's full name displayed.

Workaround 3 (Search to see if a company is excluded):
1. Click the Search Records tab at the top of the SAM Homepage.
2. Enter your search term and click Search.
3. If you are searching to see if a company is excluded, on the Search Results page, click the Performance Information filter.
4. Click OK to the pop-up message
5. Select Entity Information filter
6. Select Entity Name filter
7. Enter the company's name
8. Click Apply Filters
9. Once the search is complete, click Save PDF.
10.You will see the company's full name displayed.

Workaround 4 (Search for an entity's SAM registration by name):
1. Click the Search Records tab at the top of the SAM Homepage.
2. Enter your search term and click Search.
3. If you are searching to see if a company has a SAM registration, on the Search Results page, click the Entity Management filter.
4. Select Entity filter
5. Select Name Search filter
6. Enter the company's name
7. Click Apply Filters
8. Once the search is complete, click Save PDF.
9. You will see the company's full name displayed.

If the vendor is not excluded on the SAM, then a purchase order is prepared. An original p.o. is sent to the vendor (if the vendor requires one) and a copy is retained in "Spot Purchases" file until delivery. For vendors frequently used for routine spot purchases, the vendor verification for good standing is done periodically. **Exception: For any purchase over $500.00 that is procured using the agency procurement card (credit card) as a payment method, the vendor must be verified for good standing (warrant hold status) before making the purchase.**

2) $5,000 - $25,000 (PCC: F - Commodities or PCC: Q - Services) If the purchase is over $5,000 and not on contract through TPASS and is under $25,000 the informal solicitation process is used. The purchaser attempts to get a minimum of three informal bids via fax, phone or e-mail from vendors on the Centralized Master Bidders List (CMBL) available through the TPASS web site at http://www.window.state.tx.us/procurement//cmbl/cmblhub.html. Two of the three bids must be Historically Underutilized Business (HUB) vendors. If unable to locate at least two HUB vendors on the CMBL, this must be noted in the file. Evaluate and award the purchase under the delegated purchasing rules. The vendor is verified for good standing, searched on the EPLS website and a printout is retained in the file (follow same procedures as above). A Bid Tabulation is prepared showing bidders names, contacts and bid amounts. Once an award is made, a purchase order is issued and signed. The original is sent to vendor and a copy is retained in "Delegated Purchases" file until delivery is completed.

3) $25,000 - $100,000 Services only (Delegated) - PCC: S

If a purchase is for a service and is $25,000 or over but less than $100,000, the purchaser obtains written (formal) bids. The purchaser must solicit bids or proposals from all eligible vendors on the CMBL listed for that class/item that serve the agency's geographic region (county, city or zip code). If it enhances competition, non-CMBL vendors may be added to the bid list with written approval from the Director of Staff Services or Assistant Administrator.

Develop specifications or a Statement of Work (SOW) and create a written Invitation for Bid (IFB). The IFB for purchases $25,000 or over must be advertised (posted) on the *Texas Marketplace* at (See Section 2.31 of Procurement Manual). If posted electronically, the purchase must be advertised for 14 calendar days. If not available electronically, then it must be posted 21 calendar days. To access the Procurement Section of the Texas Marketplace (Electronic State Business Daily), go to: http://esbd.cpa.state.tx.us/admin.cfm, Administration Menu, enter user ID (TRECUSER) and password (this can be found in the Electronic Business Daily folder). The bids are opened, tabulated and reviewed carefully to ensure that the bid meets specifications. A Bid Tabulation Sheet is prepared which shows all vendors to whom bids were sent and their response. The vendor providing the lowest and best bid that meets specifications is verified for good standing and checked out on the EPLS web site. The EPLS printout should be attached. If the vendor meets are requirements, the purchase is awarded and a purchase order is issued.

If the service is $100,000 or over, it is handled under Open Market Procedures through TPASS. TPASS may or may not delegate the agency to purchase the services. Purchases $100,000 or over may be handled through a Request for Proposal process, but the agency must be given the authority by TPASS to use the RFP process unless the purchase is exempt from TPASS authority. For a list of legal cites referencing exempt purchases (Document Type 9), refer to the Procurement Manual at: http://www.window.state.tx.us/procurement/pub/manual/4-5.pdf

4) Purchases $100,000 or over
Acquisitions $100,000 or over for goods or services that are not available on a State Contract (including GODirect contracts) must be submitted to TPASS for review and approval. In some cases, TPASS and the agency may determine that a Request for Proposal (RFP) is a better purchasing method than an Invitation for Bid (IFB). TPASS may delegate the authority for an agency to solicit responses using the RFP process. The Purchaser should comply with the Contract Management Guide (CMG) and use the RFP Template to develop the RFP. The purchaser should refer to the TPASS Contract Management Office at:
http://www.window.state.tx.us/procurement/prog/cmo/ for assistance with the development and review of large contracts.

ADDITIONAL APPROVALS

In accordance with SB 20, the following additional approvals are required:

1. The Procurement Manager shall:

   a. Approve each contract awarded through the competitive sealed proposal process, using the best value standard;

   b. Ensures best value standards are properly documented; and

c. Acknowledge in writing TREC has complied with the agency's and Comptroller's Contract Management Guide.

2. Information contained in the Comptroller's Vendor Performance Tracking System shall be used as a best value evaluation criteria;

3. For contracts over $1M, the Commission chair must sign.

4. For Contracts exceeding $5 million dollars, the Procurement Manager shall:

   a. Verify the solicitation, purchasing method and contractor selection comply with state law and agency policy; and

   b. Submit to the Commission information on any potential issue that may arise in the procurement process.

BEST VALUE STANDARDS

1. In determining the best value, the purchase price and whether the goods or services meet specifications are generally the most important considerations. When best value is a consideration other factors should be considered such as:

   a. Installation costs;
   b. Life cycle costs;
   c. Quality and reliability of goods and services;
   d. Delivery terms;
   e. Past vendor performance;
   f. Vendor's financial resources and ability to perform;
   g. Vendor's experience, capability or responsibility;
   h. Cost of training associated with a purchase;
   i. References;
   j. Information contained in the Comptroller's Vendor Performance Tracking System shall be used as a best value evaluation criteria; and
   k. Other factors relevant to determining the best value in the context of a particular purchases.

2. The best value standard used to determine the award of a contract will be documented on the purchase order or supporting documentation.

3. The purchaser will acknowledge in writing that the procurement is in compliance with the Contract Management Guide.

RECEIVING DELIVERIES

Items delivered should be thoroughly inspected and quantities verified before accepting a delivery. The corresponding purchase order should be pulled from the file for review. If all is correct, the delivery is accepted and packing slip is signed and dated. The packing slip is stapled to the back of the purchase order and filed in the "Pending Invoices" file. The date received is recorded in the Purchase Requisition Log book under the requisition (p.o) number. The item/product is delivered to the requesting customer or placed in the appropriate storage area.

VENDOR PERFORMANCE

Agencies are required to report vendor performance on purchases over $25,000 from contracts administered by the commission or any other purchase over $25,000 made through delegated authority granted by CPA (TAC 20.108). Agencies are also encouraged to report vendor performance for purchases under $25,000. Vendor Performance can be submitted electronically by logging into the CPA Web Portal system at: https://portal.cpa.state.tx.us/

PAYMENT PROCESSING

1. Invoices are received by the U.S. mail and electronically via the Accounts Payable In Box. Electronic invoices are printed and placed with any other hard copy invoices received in the Purchaser's "In Box" on top of tall file cabinet (cube 414D).
2. The corresponding purchase order for the invoice is pulled from the "Pending Invoices" file (a separate brown expanding file folder located on top of the rolling file cabinet in the Purchaser's office). Invoice amounts are verified with purchase order amounts. If there is a discrepancy, the vendor is contacted and the invoice is held until the discrepancy is resolved.
3. When the invoice meets the approvals for payment, a Payment Approval Form is completed providing information required for processing the payment. The Payment Approval Form is the cover sheet for the p.o. and backup documentation. See next section for procedures.
4. Comptroller object codes and agency object codes are listed on the purchase order but can be verified from the COBJ_AOBJ listing located in the SSS common drive, USAS Structure folder. Purchase Category Codes (PCC) codes are listed in the TPASS Procurement Manual, Section Two, Payment, Item 2.47 https://www.comptroller.texas.gov/purchasing/docs/procurement-manual/2-47.pdf. Object codes and PCC codes are also listed in the Purchase Order Log book when the p.o. number is assigned.
5. Upon completion of the Payment Approval form, the purchase order with supporting documentation, delivery receipt and invoice are attached and forwarded to the Accounts Payable Clerk for processing. It is the Purchaser's responsibility to comply with Prompt Payment Act of Texas. Payments must be paid within 30 days from receipt of service or invoice (whichever is later) or interest is automatically added to the total payment. More information regarding Payment Scheduling and the Prompt Payment Act can be found on the CPA website at: https://fmx.cpa.texas.gov/fm/pubs/purchase/

PAYMENT APPROVAL PROCEDURES

Purchasing:

1. Invoices are received and date stamped. If received electronically, the e-mail verifying the date received is attached or the invoice should be date stamped.

2. Identify the P.O. number that corresponds with the invoice.

3. Pull the corresponding p.o. (from "Pending Invoice" file) and match to the invoice.
   A. If no p.o. is found in the Pending Invoice file, the payment may be for an ongoing contract or it could be waiting to be typed in MIP. Ongoing contracts are typically monthly payments and the p.o. is filed with the first payment made for that contract.

4. Verify that the amount on the p.o. and the amount on the invoice agree.

A. If the two amounts agree, proceed to step 4 below.
B. If the two amounts do not agree, find out what the discrepancy is and contact the vendor to dispute, have invoice revised and resent. Document who you talked to, the date and what was discussed. The vendor must be notified of the dispute not later than the 21st calendar day after the date the invoice is received.
https://fmx.cpa.texas.gov/fm/pubs/purchase/prompt_pay/index.php?section=overview&page=disputes

5. Matched invoices and P.O.s may be given to Accounts Payable to complete the Payment Approval Form or Purchasing completes the form. (This should be done within 3 working days of receipt of invoice).

Accounts Payable:

1. Stamp date received in Accounts Payable.

2. Completing a Payment Approval Form (fill in the blanks):
A. Requisition # (Ex: 329-15-1234)

B. TPASS or DIR Number - This number is only required when the purchase was made using an automated term contract (Contract Purchase Order form). The TPASS number is the same as the purchase order number on the Contract Purchase Order form, located above the requisition number on the upper right hand corner of the purchase order. The DIR number would be the DIR contract number (Ex: DIR-SDD-192).

C. Contract Number - This number is used for contracts $10,000 or over that is set up in a Profile 30 USAS report (optional).

D. Doc Type and PCC Type - The PCC is located in the Requisition Log Book under the order date.
1) If Doc type 9, then the appropriate exempt statement label must be placed at the bottom of the form as *other information*. Examples of exempt purchases are *professional services, utilities (telephone bills), postage and Council of Competitive Government (CCG) contracts such as presorted mail services contract.*

E. Encumbrance Liquidation – P or F: If the payment is for a partial amount, then circle P for partial. If the payment is the last (final) payment or the only payment, then circle F for final.

F. Order Date - This date is on the purchase order.

G. Payment Due Date - This date is usually calculated 30 days from the receipt of the invoice or 30 days from the date goods/service was delivered, whichever is later. Refer to Payment Scheduling. Exception: The DIR DSC payment is required in 20 days.

H. Delivery Date - Date goods or service were delivered or received. This date can be found on the delivery receipt, packaging label or other backup documentation.

I. Interest Control (I/C) - Refer to Payment Scheduling.
1) R - Refuse Interest
2) F - Force Interest
3) A - Accept Interest

J. Reason Code - Refer to Payment Scheduling (Ex: Advance Payment-AP).
K. Requested Payment Date -

1) If invoice is less than $5,000, payment can be requested on the next working day (NWD), but not later than (NLT) 1 working day prior to payment due date unless this date falls on a holiday or weekend.

a) If payment due date is on a weekend, then the NLT requested payment date is the Thursday prior to the weekend date.

b) If payment due date is on holiday, then the NLT requested payment date is last working day prior to the holiday date.

2) If invoice is $5000 or more, payment is requested 1-2 working days prior to the payment due date unless this date falls on a holiday or weekend. Follow same criteria in 1)a and 1)b above if date is on a weekend or holiday.

L. FY – Fiscal Year that payment is being made from.

M. Amount - Dollar amount being allocated to specific PCA found on the P.O. or the Procurement Log.

N. Object Code - The agency object code for the purchase. The agency codes are on the P.O. and in the Procurement Log. See Comptroller Manual of Accounts - Expenditure Codes for verification at https://fmcpa.cpa.state.tx.us/fiscalmoa/cobj.jsp?type=exp.

O. Total - Total all amounts in the amount column. This will be the total paid.

2. Exceptions to Routine Payment Approval Procedures

A. Interagency Transaction Vouchers (ITVs)

1) TPASS Number - write ITV
2) Contract Number - leave blank
3) Doc Type - leave blank
4) Payment Due Date - 30 days from receipt of invoice or goods/service delivery date (whichever is later)
5) Requested Payment Date - Next Working Day (NWD)

B. Purchases Payable to the U.S. Postmaster (postage, p.o.box rent, etc.)

1) TPASS/DIR Number - leave blank
2) Contract Number - leave blank
3) Doc Type 9 - stamp bottom with "Exempt Purchase -Postage" stamp
4) Payment Due Date - Date needed
5) Delivery Date - Same as payment due date
6) Interest Control - R
7) Reason Code - AP (Advance Payment)
   a) Attach Justification for Advance Payment form.
   Check the exception that reads: "A state agency may make an advance payment to a vendor who is selling specialized or proprietary goods or services...)
8) Requested Payment Date - leave blank

C. Payment for Procurement Card Purchases (credit card)

1) Complete a separate Payment Approval Form for each purchase transaction.
2) Payment Due Date - standard (30 days)
3) Requested Payment Date – NWD or 1-2 working days prior to their payment due date.

Accounts Payable returns completed Payment Approval Forms **within 3 working days** of receipt from Purchasing with corresponding documentation to Purchasing for review. These should be placed in the Invoices "In Box".

Purchasing (Review of Completed Payment Approval Forms):

1. Review Payment Approval forms for accuracy; enter the delivery date and the actual cost in the Procurement Log under the corresponding p.o. number.

2. Return to Accounts Payable for processing the purchase voucher for payment.

After preparing Payment Approval forms, the total payment amount of each invoice is updated in the P.O. Log Book under the corresponding p.o. number.

INTERNAL AUTOMATED PURCHASING PROCEDURES

A. ENTERING PURCHASE ORDERS USING THE TX SMARTBUY PURCHASING SYSTEM THROUGH TPASS FOR TERM CONTRACT PURCHASES AND TXMAS CONTRACT PURCHASES.

1. The Purchaser should visit www.txsmartbuy.com for information regarding the TxSmartBuy Shopping Cart System.
2. Click on https://txsmartbuy.texasonline.state.tx.us/getpassword to get a user name and password.
3. Access website at: http://www.window.state.tx.us/txsmartbuy/
4. Log onto the system by clicking the green Purchaser Login button.
   The software allows Purchaser to search for items on State term contracts and TXMAS contracts, add to a shopping cart and check out. Purchase Orders are created automatically and sent electronically (via e-mail) to the vendor and the Purchaser.
5. User guides and help can be accessed by clicking the gray button "TXSmartBuy Help" on the main TXSmartBuy page. These tools are also available when logged into the system.

B. ENTERING PURCHASE ORDERS USING MICROSOFT EXCEL SOFTWARE

1. Open the Purchasing folder on the SSS common drive of the computer (ss_common$ (\\bookman1).
2. Open the PO LOGS folder then select the appropriate FY ("PO LOG FY xx").
3. Using the tabs on the bottom of the Excel worksheet, locate the category for the item being procured. Assign the next purchase order number and complete the information in each column for the purchase.
4. Go back to the Purchasing folder on the SSS common drive and open the folder titled "Purchase Orders".
5. Open the folder FY17 EXCEL POS file. Insert a new worksheet and copy one of the typed p.os. as a template to create a new purchase order. (Selecting a file with the same vendor that has been used can shorten some steps).
6. Upon typing and completing a new purchase order, print one copy, sign, date and send to the vendor either by e-mail or fax.
7. Keep one copy of the signed purchase order in the purchasing file until the item(s) are received or the service is completed.
8. Upon delivery or completion of the purchase, attach delivery documentation and retain in the "Pending Invoice" suspense file until corresponding invoice is received.

Texas Real Estate Commission

Contract Management Procedures

The Texas Real Estate Commission's (TREC) has established contract management procedures that are in compliance with the State of Texas Contract Management Guide (CMG), the State of Texas Procurement Manual and the Department of Information Resources (DIR) rules with the intent to follow and use the best practices contained therein. These contract management procedures contain the requirements of Texas Senate Bill 20, 84th Legislature (2015-2016).

Conflict of Interest and Ethics

1) By statute any person involved in the development or approval of a contract that has an actual or potential conflict of interest must disclose it and must be removed from involvement in the contract process.

2) All purchasing staff and other staff involved in contract approval must sign a conflict of interest statement certification.

3) Each signatory in the workflow approval of a contract, by approving the contract, certifies that he or she:
   a. Has no interest in, or connection with, the contract;
   b. Has not accepted or received, and will not accept or receive, from a person or entity to whom the contract has been awarded, directly or indirectly, anything of value or a promise, obligation, or contract for future reward or compensation; and
   c. Has disclosed any possible conflicts of interest to the Executive Director.

4) TREC staff that has knowledge of any conflict of interest by any staff involved in the procurement process that has previously not been disclosed must report it to the General Counsel and the Executive Director.

5) A state agency may not enter into a contract for the purchase of goods or services with a private vendor with whom any of the following agency employees or officials have a financial interest:
   a) A member of the agency's governing body;
   b) The governing official, Executive Director; General Counsel, Chief Procurement Officer, or Procurement Director of the agency; or
   c) Family member related to an employee or official within the second degree by affinity or consanguinity.
   d) A state agency employee or official has a financial interest in a vendor if the employee or official:

1) owns or controls, directly or indirectly, an ownership interest of at least one percent in the vendor, including the right to share in profits, proceeds, or capital gains; or awarding a contract to the vendor could result in a financial benefit to the employee or official.
2) A financial interest prohibited by this section does not include a retirement plan, a blind trust, insurance coverage, or an ownership interest of less than one percent in a corporation.

Steps in the Contract Process:

1) **Identify Need:** The Purchaser will serve as the contract manager and consult with the requesting users to identify a clear understanding of the need. This may involve requesting additional details from the end users, asking for clarification, calling vendors or service providers (vendor), consulting with TPASS or DIR, performing research or finding other state approved sources. Obtain a quote or verify a quote received from requesting department;

2) **Submission of Purchase Requisition:** The requesting department must submit an approved Purchase Requisition in accordance to the memorandum from Douglas E. Oldmixon, "Delegation of Authority to Approve Purchases", updated November 24, 2015.

3) **Plan the Procurement:** Planning the procurement is the first and very important step in Contract Management. The more planning, the less risk and better the solicitation will be to result in a solid contract that can be monitored and managed efficiently. The requesting department will consult with purchasing and legal as necessary, identifying needs and planning accordingly. The senior team members, General Counsel and Executive Director will be involved as deemed appropriate in the initial planning stages of a contract. This will avoid issues later in the process.

4) **Perform risk assessment.** Once the required services are decided, the Purchaser consults with the requesting department and team members to determine the risk level for the agency and how to minimize risks through contract requirements. Based on the risk level, develop a detailed statement of work with written performance measures that minimizes risk. Contracts requiring enhanced monitoring will be identified during the risk assessment. Risk factors to be considered include, but are not limited to:
   a) Type of purchase (competitive/non-competitive)
   b) Payment type/structure
   c) Dollar amount of the contract
   d) Scope of goods/services being procured
   e) Vendor Background and Experience

5) **Identify Procurement Method**: Determine proper procurement method in compliance with the State of Texas Procurement Manual. Prepare competitive solicitation process when required following procedures set forth in the CPA Contract Management Guide and DIR's Statement of Work procedures.

   A Statement of Work (SOW) is used in solicitations to minimize risk by describing in detail what parties are required to do. Including clearly defined performance measure and deliverables in

the contract will minimize risk to the agency. The requesting department will assist in developing detailed statement of work, deliverables and performance measures.

6) Evaluation:

The Purchaser receives the responses and distributes them to the evaluation team members with an evaluation scoring matrix and a non-disclosure form. The Purchaser ensures that all Evaluation Team Members understand their responsibilities (refer to CMG).

The Evaluation Team meets to review responses. The team may decide to invite vendors to conduct a presentation and discuss their responses in further detail.

Negotiate with the vendors to find the best value based on best value standards;

Best and Final Offers may be requested from responsive vendors.

An agreement is reached with the other party on the terms of the contract. Certain standard legal terms are non-negotiable;

Purchasing tabulates total scores from the evaluation score sheets completed by each of the Evaluation Team Members.

In some situations, a second evaluation scoring matrix may be required. Purchasing prepares a Final Scoring Tabulation and recommends selection of the best vendor in accordance with state purchasing rules.

Best Value Standards

In determining the best value, the purchase price and whether the goods or services meet specifications are generally the most important considerations. When best value is a consideration other factors should be considered such as:

a. Installation costs;
b. Life cycle costs;
c. Quality and reliability of goods and services;
d. Delivery terms;
e. Past vendor performance;
f. Vendor's financial resources and ability to perform;
g. Vendor's experience, capability or responsibility;
h. Cost of training associated with a purchase; and
i. Other factors relevant to determining the best value in the context of a particular purchase.

The best value standard used to determine the award of a contract will be documented on the purchase order or supporting documentation.

The purchaser will acknowledge in writing that the procurement is in compliance with the Contract Management Guide.

7) Award:

Select the best vendor in accordance with state purchasing rules.

Present recommendation of award to Commission if approval is required.

Notify vendor of award. Issue purchase order and/or contract to the awarded vendor.

8) Issuing a Contract:

For larger, complex purchases, in addition to a purchase order, it may be appropriate that a contract be written and signed by both parties. The contract is generally drafted by the General Counsel and reviewed by the Purchaser, the Executive Director and other appropriate team members as required for the procurement.

For contracts over $14,000, a contract routing sheet is completed by the Purchaser and requires approval signatures from the Purchaser, Division Director, Chief Financial Officer, Information Resource Manager, General Counsel, Administrator and other as required. This ensures all parties have reviewed and approved the contract. Attach all documents related to the purchase request including proposals, quotes, evaluation tabulation sheet, contract documents or agreements needing signature.

All contracts other than a purchase order are reviewed by the General Counsel and signed by the Executive Director binding the agency.

Contracts over $1M must be signed by the Chair of the Texas Real Estate Commission or Texas Appraiser Licensing & Certification Board.

Two original contracts are sent to the vendor for review and signature. One original is retained by the vendor and one is retained by the agency in the Purchasing office. Electronic copies of the signed contracts are stored in the SSS and DD common drives.

9) Contract Management:

Generally, the Purchaser serves as the Contract Manager and is the designated agency staff that has primary responsibilities for the day to day management of contracts, including but not limited to:

a) Monitoring vendor performance and fiscal, financial and record keeping requirements;
b) Reporting vendor performance in the Comptroller's Vendor Performance Tracking System;
c) Taking timely and appropriate action to resolve performance and compliance issues;
d) Receiving, reviewing and approving deliverables;
e) Documenting receipt of contract deliverables and communicating acceptance of these deliverables to the appropriate section;
f) Processing contract modifications, such addendums, Purchase Order Change Notices, etc.
g) Settling contract disputes;
h) Recommending renewal or non-renewal of the contract;
i) Handling contract termination and closeout; and
j) Providing complete and accurate contract correspondence and documentation, and;
k) Attending contract management continuing education to maintain certification as a Certified Texas Contract Manager (CTCM).

For specialized contracts, after a contract has been awarded, the requesting department will:

a) Apply specialized knowledge, skills, and techniques to support program activities;
b) Administer and manage daily operations of required services established in contract;
c) Manage and monitor performance as required in the contract. This may require involvement of the Purchaser should a dispute arise;
d) Ensure vendor meets required performance objectives defined in the contract;
e) Oversee delivery and receipt of services;
f) Certify services were performed and deliverables met; and
g) Approve invoice for payment, if applicable.

10) Vendor Performance:

After a contract has been completed or terminated, information about that vendor's performance shall be entered into the Comptroller's Vendor Performance Tracking System (VPTS); and

As a part of the closeout process for all purchases over $25,000, vendor performance information both positive and negative shall be entered into the VPTS.

11) Records Retention of Contracts:

The following is the required retention policy for all purchase order and contract related documentation:

For contracts and purchase orders entered into after 9/1/2015, a state agency shall retain in its records each contract and related documents it enters into for a period of seven (7) years after contract expires, terminated, or is completed, after all issues have been resolved. Along with the contract, all solicitation documents shall also be retained.

For contracts and purchase orders entered into prior to 9/1/2015, the records retention period is four (4) years.

Authority:

Texas Government Code, Title 10, Subtitle F, Chapter 2262 – Statewide Contract Management

TREC
TEXAS REAL ESTATE COMMISSION

Vendor Protest Procedures

Texas Real Estate Commission Name of Division: Staff & Support Services Name of Section: **Purchasing**	
Vendor Protest Procedures	
Introduction	The Commission provides a method for vendors to protest purchasing procedures of the Commission.
Policy	**22 TAC Rule § 534.7 Vendor Protest Procedures** (a) The commission adopts by reference the rules promulgated by the Comptroller of Public Accounts Texas Procurement and Support Services regarding purchasing protest procedures as set forth in Subchapter G of 34 TAC §20.384. (b) The commission shall maintain documentation about the purchasing process to be used in the event of a protest by maintaining current information regarding applicable statutory law, administrative rules, and guidelines affecting the purchasing process.
Procedure	34 TAC §20.384 Protests/Dispute Resolution/Hearing (a) The following words and terms, when used in this section, shall have the following meaning unless the context clearly indicates otherwise. (1) Comptroller's office--The Office of the Comptroller of Public Accounts, an agency of the state. (2) Chief clerk--deputy comptroller of the comptroller's office. (3) Director--director of Texas Procurement and Support Services of the comptroller's office. (4) General counsel--general counsel of the comptroller's office. (5) Interested parties--All vendors who have submitted bids, proposals or other expressions of interest for the provision of goods or services pursuant to a contract with Texas Procurement and Support Services of the comptroller's office. (6) Using agency--A state agency, governmental entity or other entity involved in the contract. (b) Any actual or prospective bidder, offeror, or contractor who considers himself to have been aggrieved in connection with the solicitation, evaluation, or award of a contract by Texas Procurement and Support Services may formally protest to the director of Texas Procurement and Support Services. Such protests must be made in writing and received by the director of Texas Procurement and Support Services within 10 working days after the

	protesting party knows, or should have known, of the occurrence of the action that is protested. Formal protests must conform to the requirements of subsections (b) and (d) of this section, and shall be resolved through use of the procedures that are described in subsections (e) - (i) of this section. The protesting party must mail or deliver copies of the protest to the using agency and other interested parties. (c) In the event of a timely protest under this section, the state shall not proceed further with the solicitation or award of the contract unless the chief clerk, after consultation with the director of Texas Procurement and Support Services and the using agency, makes a written determination that the contract must be awarded without delay, to protect the best interests of the state. (d) A formal protest must be sworn and contain: (1) a specific identification of the statutory or regulatory provision(s) that the action complained of is alleged to have violated; (2) a specific description of each act alleged to have violated the statutory or regulatory provision(s) identified in paragraph (1) of this subsection; (3) a precise statement of the relevant facts; (4) a statement of any issues of law or fact that the protesting party contends must be resolved; (5) a statement of the argument and authorities in support of the protest; and (6) a statement that copies of the protest have been mailed or delivered to the using agency and other identifiable interested parties. (e) The director of Texas Procurement and Support Services may settle and resolve the dispute over the solicitation or award of a contract at any time before the matter is submitted on appeal to the general counsel. The director of Texas Procurement and Support Services may solicit written responses to the protest from other interested parties. (f) If the protest is not resolved by mutual agreement, the director of Texas Procurement and Support Services shall issue a written determination that resolves the protest. (1) If the director of Texas Procurement and Support Services determines that no violation of statutory or regulatory provisions has occurred, then the director of Texas Procurement and Support Services shall inform the protesting party, the using agency, and other interested parties by letter that sets forth the reasons for the determination. (2) If the director of Texas Procurement and Support Services determines that a violation of any statutory or regulatory provisions has occurred in a situation in which a contract has not been awarded, then the director of Texas Procurement and Support Services shall inform the protesting party, the using agency, and other interested parties of that determination by letter that details the reasons for the determination and the appropriate remedy. (3) If the director of Texas Procurement and Support Services determines that a violation of any statutory or regulatory provisions has occurred in a situation in which a contract has not been awarded, then the director of Texas Procurement and Support Services shall inform the protesting party, the using agency, and other interested parties of that determination by letter that details the reasons for the determination and the appropriate remedy. (g) The protesting party may appeal a determination of a protest by the director of Texas Procurement and Support Services to the general counsel. An appeal of the director's determination must be in writing and received in the office of the general counsel by not

	later than 10 working days after the date on which the director has sent written notice of his determination. The scope of the appeal shall be limited to review of the director's determination. The protesting party must mail or deliver to the using agency and all other interested parties a copy of the appeal, which must contain a certified statement that such copies have been provided. (h) The general counsel may refer the matter to the chief clerk for consideration or may issue a written decision that resolves the protest. (i) The following requirements shall apply to a protest that the general counsel refers to the chief clerk. (1) The general counsel shall deliver copies of the appeal and any responses by interested parties to the chief clerk. (2) The chief clerk may consider any documents that agency staff or interested parties have submitted. (3) The chief clerk shall issue a written letter of determination of the appeal to the parties which shall be final. In a subsequent open meeting conducted by the chief clerk under §20.383 of this title (relating to Open Meetings for Certain Contract Awards), the chief clerk shall inform the Statewide Procurement Advisory Council of any such recent determinations by the chief clerk on any contract awards made in any open meeting attended by the council. (4) A protest or appeal that is not filed timely shall not be considered unless good cause for delay is shown or the chief clerk determines that an appeal raises issues that are significant to agency procurement practices or procedures in general. (5) A written decision that either the chief clerk or the general counsel has issued shall be the final administrative action of the comptroller's office. (j) Texas Procurement and Support Services shall maintain all documentation on the purchasing process that is the subject of a protest or appeal in accordance with the retention schedule of Texas Procurement and Support Services.
Authority	§1101.151 Texas Occupations Code
Approved	DATE: 01-18-2017 PROGRAM MANAGER: Sandy Jones Sandy Jones EXECUTIVE DIRECTOR: Douglas E. Oldmixon

Credit Cards

Procedures for utilizing credit cards if participating in the U. S. Bank Voyager Retail Fuel Card Program and/or the Citi Bank Procurement and Travel Charge Card Programs.

Texas Real Estate Commission
Name of Division: **Staff & Support Services**
Name of Section: **Accounting**

Procurement and Travel Card (Credit Card) Policy
Travel Card Procedures

Introduction	The travel credit card shall be issued to the Texas Real Estate Commission under the provisions of the current state contract with Citicard (or its successor).
Policy	The travel credit card is designed as a payment method for travel purchases. All purchasing statutes, rules, policies and procedures must be adhered to when utilizing the travel card.
Procedure	The travel card is to be used only for paying for travel purchases that have received prior written approval (completed Travel Request Form) by the Travel Coordinator, Division Director (if applicable) or the Administrator (out of State travel only). The travel card is to be secured in the safe located in the Staff and Support Services division.
Authority	Texas Administrative Code, Title 34, Part 1, Chapter 5, Subchapter E, 5.57
Approved	DATE: 1/19/17 PROGRAM MANAGER: Priscilla Pipho EXECUTIVE DIRECTOR: Douglas E. Oldmixon

Credit Cards

Procedures for utilizing credit cards if participating in the U. S. Bank Voyager Retail Fuel Card Program and/or the Citi Bank Procurement and Travel Charge Card Programs.

Texas Real Estate Commission
Name of Division: **Staff & Support Services**
Name of Section: **Purchasing**

Procurement and Travel Card (Credit Card) Policy
Procurement Card Procedures

Introduction	The procurement credit card shall be issued to the Texas Real Estate Commission under the provisions of the current state contract with Citicard (or its successor).
Policy	The procurement credit card is designed as a payment method. All purchasing statutes, rules, policies and procedures must be adhered to when utilizing the procurement card.
Procedure	The procurement card is to be used only for small purchases not to exceed $5,000 that have received prior written approval (completed requisition form) of the Administrator, Assistant Administrator, Director of Staff & Support Services/Chief Financial Officer (CFO), Chief Accountant in the absence of the CFO, or the Texas Appraiser Licensing and Certification Board Commissioner. The procurement card is to be secured in the safe located in the Staff & Support Services division.
Authority	Texas Administrative Code, Title 34, Part 1, Chapter 5, Subchapter E, 5.57
Approved	DATE: 1/19/17 PROGRAM MANAGER: Priscilla Pipho EXECUTIVE DIRECTOR: Douglas E. Oldmixon

Training and Certification

Training and certification status of agency purchasing employees.

Print Name Myra Martin

Certification Type: Certified Texas Purchaser (CTP)
Issue Date: March 1, 2013
Expiration Date: March 1, 2018
Certification Number: 130302

Print Name Myra Martin

Certification Type: Certified Texas Procurement Manager (CTPM)
Issue Date: May 2, 2013
Expiration Date: May 1, 2018
Certification Number: M1161

Print Name Myra Martin

Certification Type: Certified Texas Contract Manager (CTCM)
Issue Date: August 1, 2015
Expiration Date: August 1, 2020
Certification Number: CTCM0818156

Print Name Sandra Jones

Certification Type: Certified Texas Purchaser Manager (CTPM)
Issue Date: May 28, 2002
Expiration Date: June 1, 2018
Certification Number: B1331

Print Name Sandra Jones

Certification Type: Certified Texas Contract Manager (CTCM)
Issue Date: September 1, 2015
Expiration Date: September 1, 2020
Certification Number: CTCM0731159