GENERAL INFORMATION

This procedure is issued to establish effective guidelines for the issuance of Department Generated Orders (DEP orders) for products and services by departmental staff consistent with Purchasing’ procedures and applicable laws and regulations.

AUDIENCE

Applicable to all Departmental Buyers (See Section 2 below).

GUIDELINES

1. Introduction

Department Generated Orders (DEP origin code) are designed to promote greater purchasing efficiency by permitting UTMB departments to issue orders for small dollar purchases and against pre-established vendor agreements (e-Catalogs) rather than processing the request through Purchasing. Use of DEP orders will afford departments greater control over their routine purchases, shorten processing time, and provide increased ordering efficiency.

2. Authority to Issue DEP Orders

The authority to issue DEP orders will be granted by Purchasing only to departmental staff with the “Requester/Buyer” role in PeopleSoft, referred to as “Departmental Buyers”.

3. Types of DEP Orders

A. eCatalog orders are DEP orders that utilize pre-established vendor pricing agreements for specific items and are created via the PeopleSoft eProcurement “punch-out” process.

B. Non-catalog routine small dollar purchases (DEP Special Request), formerly known as SOS orders, are orders that require the department to contact the vendor for a price quote and are created utilizing the PeopleSoft eProcurement “Special Request” process.

4. Dollar Limits

A. eCatalog orders may not exceed $5,000.00.

B. DEP Special Request orders may be used for eligible purchases having an aggregate total of $4,999.99 or less, including all shipping and handling charges.

C. Large purchases may not be split into smaller purchases in order to meet the specified dollar limits. "Splitting orders" is defined as follows:

- Two or more orders charged to the same chart field string for the same product, whether to the same vendor or different vendors, within a time span for which it would be reasonable to assume that the need for the additional products could have been anticipated; or
- Two or more orders charged to the same chart field string and issued to the same vendor on the same day, even if the orders are for different products.

Splitting orders may be grounds for withdrawal of the department’s delegation to issue DEP orders.
5. **Eligibility for DEP Special Request Orders**

A. DEP Special Request (non-catalog) orders may be used for the purchase of supplies, material, equipment and services.

B. DEP Special Request (non-catalog) orders may *not* be used for any of the following types of purchases:

- Items listed in the Materials Management Inventory catalog;
- Items available in an eCatalog (see Section 6);
- Items and services available from other UTMB departments;
- Locksmiths, key duplication, or any type of re-modeling/construction;
- Membership dues or registration fees;
- Travel expense items (conference registration fees, rooms, fares, rentals, etc.);
- Postage and postal items;
- Motor fuel, lubricants, tires, and tubes;
- Animals and Radiological Items (see Logistics/Acquisition Procedure 2.10, Section 5; Best Value);
- Personal services and items, including personal memberships, gifts, etc.;
- Purchases of contract services, including consulting services, professional services, construction, and temporary employment services (e.g., clerical, nursing, etc.);
- Purchases of services from individuals or sole proprietors without completion of the Employee/Independent Contractor Verification form (see Logistics/Acquisition Procedure 2.10, Section 6; Best Value);
- Orders requiring signature of vendor agreements or documents;
- Orders requiring pre-payment;
- Purchases for printing services;
- Gift cards tickets to UTMB events;
- Purchases from employees of any UT System component, including UTMB;
- Any item or service prohibited by UTMB policy and/or Texas law;
- Employee moving services;
- Reimbursements to UTMB employees;
- For payment purposes only, after goods have been received and/or services rendered; and
- Products available from Texas Industries for the Blind and Handicapped (TIBH) without proper documentation as outlined below:
  - UTMB is required to purchase products available from TIBH unless UTMB can document reasons why such products are unacceptable (e.g., unsuitable delivery time, price, product doesn’t meet specifications, etc.). If a TIBH product is determined to be unacceptable, the reason must be documented in the Justification/Comments section of the Requisition Form. TIBH products can be accessed via the TIBH website: [www.tibh.org/index.php](http://www.tibh.org/index.php). TIBH products have been categorized as listed below. All other categories have been exempted due to UTMB’s current institutional contracts with other vendors.

  **TIBH product categories:**
  - Automotive
  - Outdoor Clothing and Supplies
  - Miscellaneous
  - Awards
  - Janitorial Supplies

  - Before placing a DEP Special Request order for these types of products, you should check TIBH’s website and see if they carry that product. If so, you should place the order with TIBH without any further competition. TIBH will accept UTMB’s purchase order and the purchase should be processed just like any other purchase from a vendor.
6. **Advantages of Utilizing eCatalogs**

A. Only eligible items are available in eCatalogs via the PeopleSoft punch-out process.

B. The Departmental Buyer does **not** have to contact the supplier to obtain a price quote, estimated freight costs, shipping terms, etc.

C. Within PeopleSoft, the Requester accesses a vendor website, selects the appropriate items to be purchased, reviews their shopping cart, and then checks out which auto-populates the PeopleSoft requisition with all required line-item data (i.e., description, category code, price, quantity, unit of measure, catalog number, and vendor location).

7. **Departmental Responsibilities Related to all DEP Orders**

Participating departments shall be solely responsible for the administration of their DEP Orders. These responsibilities include:

A. Compliance with UTMB’s guidelines and requirements regarding the expenditure of all funds (state, federal, institutional, MSRDP, etc.). Remember that certain restrictions apply to the use of federal funds (see Quick Reference Guide for Federally Funded Charges).

B. Compliance with the following UTMB Purchasing Procedures:

   - 1.10 Ethics Policy
   - 2.10 Best Value Procurement
   - 2.34 Federal Funds Procurements
   - 2.73 Purchases from UTMB Tech Companies
   - 5.10 Historically Underutilized Businesses (HUB)
   - 7.10 Small Business (SBA)

C. Ordering, receiving, and inspecting all merchandise by:

   - Creating a PeopleSoft requisition for items to be purchased.
   - Creating a PeopleSoft receipt for items picked up by the department, shipped directly to the department/off-site clinic, or services performed within the department. **Note: creating a receipt without actual possession of the merchandise or before the service has been performed could constitute falsification of records.**
   - Coordinating the replacement of damaged or incorrect goods or services, shortages, and other discrepancies regarding receipt of the order. For assistance regarding the receipt of items, contact the Logistics Problem Resolution Desk at 409-772-5341 or by e-mail at logistics.problemresolution@utmb.edu.

D. Departmental Buyers are **not** authorized to advise the vendor to ship alternate or additional items for the items listed on the original purchase order. **Substitutions are not allowed.** For assistance regarding purchase order changes and the creation of a new purchase order for alternate items, contact the Purchasing Help Desk at extension 7-8000 or by e-mail at PurchasingSOSPOChangei@utmb.edu.

E. If you are ordering for an off-site UTMB location (e.g., CMC, OB/GYN clinic, etc.), please ensure the Supplier has the correct ship-to address in their system. If they do not, please have them set-up an **additional** ship-to address before you issue an order to them. If you need assistance with this process, please contact the Purchasing Help Desk at extension 7-8000 or by e-mail at purchasing.helpdesk@utmb.edu.

F. Expediting and tracking orders.

G. Resolving all invoicing discrepancies.
H. Recordkeeping. Departmental Buyers are responsible for maintaining all documentation (i.e., vendor quotes, packing slips, etc.) related to DEP Orders. Such documentation shall be filed by Purchase Order Number and retained for the remainder of the fiscal year plus three (3) additional years.

8. Additional Responsibilities Related to DEP Special Request Orders

Requesters creating DEP Special Request (non-catalog) orders shall also be responsible for:

- Utilizing Historically Underutilized Business (HUB) firms in the procurement of goods and services in accordance with Texas law.
- Obtaining an accurate, up-to-date price quote from the vendor prior to creating the DEP Special Request requisition.
- Confirming the vendor’s address to ensure the purchase order is sent to the correct vendor and vendor location.
- Advising the vendor that UTMB is a tax exempt institution. Note: if the vendor requires a Tax Exemption Certificate, you may obtain one by e-mailing supplier.mgt@utmb.edu.
- Accurate entry of purchase order information in the PeopleSoft ePro system including, but not limited to:
  - vendor location (must match the vendor location that provided the price quote);
  - correct price (must match the vendor’s quoted price);
  - product description, including the appropriate unit of measure (ea, bx, cs, etc.); and
  - shipping information, including estimated freight charges.

9. Violations

A. Violations of the DEP Order rules and procedures may jeopardize a department's continued participation in the program. Possible violations include, but are not limited to:

- Splitting Orders, as defined in Section 4 above;
- Issuing DEP Orders which exceed the established dollar thresholds, including shipping and handling charges, as listed in Section 4 above;
- Ineligible purchases, as defined in Section 5 above;
- Changes/errors and revisions requiring repeated action by Purchasing to correct;
- Improper coding of TIBH Exception Orders; and
- Any other unauthorized use of DEP Orders.

B. Penalties for violations include:

- 1st and 2nd occurrence: A written warning of the specific violation will be sent to the Requester and Approver of the DEP Order.

- More than 2 occurrences: If a violation occurs after a 2nd occurrence, a written notice of the specific violation will be sent to the Department Head stating that the Department's DEP privileges may be suspended/revoked for a minimum of 30 days and all requisitions must be sent to Purchasing for processing. Completion of DEP Order re-training will be required before a Department’s eligibility to make DEP orders will be reinstated.

10. Audit

A. Purchasing will audit DEP transactions to determine compliance with these procedures. Documented violations, whether intentional or not, will be grounds for corrective action as defined in Section 9 above.

B. Audit Services will conduct periodic audits of the DEP process to:

- Determine whether purchases have been made of unauthorized items;
- Determine whether orders have been split impermissibly; and
- Evaluate the adequacy of accounting control and compliance with fiscal management requirements.
EXCEPTIONS

Any exception to these rules and procedure must be in writing by formal addendum to this procedure or documented by other formal written exception by the Director of Purchasing.

REFERENCES

Logistics/Acquisition Procedure 1.10 (Ethics Policy)
Logistics/Acquisition Procedure 2.10 (Best Value Procurement)
Logistics/Acquisition Procedure 2.34 (Federal Funds Procurements)
Logistics/Acquisition Procedure 2.73 (Purchases from UTMB Tech Companies)
Logistics/Acquisition Procedure 5.10 (Historically Underutilized Businesses)
Logistics/Acquisition Procedure 7.10 (Small Business)
eProcurement Quick Reference Users Guide
Quick Reference Guide for Federally Funded Charges
Buyer’s Quick Guide
Procurement MarketPlace

6.10 Department Generated (DEP) Orders

Approved: Eric Williams, C.P.M.
Director of Purchasing