Senate Bill 20 (84th Legislature)

Senate Bill 20, which was signed by Governor Abbott in June 2015 and becomes effective September 1, 2015, has several requirements related to procurement and contracting for state agencies and universities. One of the requirements is to post a list of all contracts (signed agreements and POs) on the University’s website for as long as the contract is active. In order to do this, all signed agreements must be encumbered on a PO.

When is a PO Required?

1. All signed agreements (also referred to as “contracts”) between the University of Houston and another legal entity (person, contractor, or vendor) for the procurement of goods and/or services greater than $0 that are signed on September 1, 2015 or after must be encumbered on a PO as follows:
   1. Construction, renovation, repair, and maintenance contracts managed by Facilities are encumbered by Plant Operations under PO business unit **FP730** and **FP783**.
   2. Research-related independent contractor and subrecipient agreements for sponsored projects are encumbered by the Office of Contracts and Grants under **RC730** and **RC783**.
   3. All other signed agreements are encumbered by Purchasing under **CN730** and **CN783**.

Note: For contracts encumbered under FP730, FP783, CN730, and CN783, a copy of the fully executed signed agreement must be uploaded with requisition or PO, along with the Contract Coversheet, Recommendation for Award, Sole Source Justification form (if applicable), and any bids/quotes obtained by the originating department. Additional solicitation documentation (RFP/RFQ/ITB, vendor responses, committee evaluations, award letter to vendor, etc.) will be maintained by Purchasing. Documentation for research-related independent contractor contracts encumbered under RC730 and RC783 must be uploaded to the requisition or PO, while a copy of subrecipient agreements will be maintained by the Office of Contracts and Grants.

1. All goods and services that do not involve a signed agreement must be purchased with a purchase order (PO) through the UH Purchasing Department under PO business unit **00730** and **00783** if they meet one or more of the following criteria:
   1. Purchases using any federal funds where the total cost (not just the amount charged to federal funds) is more than $3,000.
   2. Purchases only using non-federal funds costing more than $5,000.
   3. Purchases where UH procurement policy (MAPP 04.01.01) indicates a PO is required, regardless of dollar amount, such as:
      1. Radioactive materials, x-ray machines, Class 3b and 4 lasers, biological safety cabinets, and other hazardous materials. (Addendum B is required.)
      2. Vehicles, including golf carts. (Addendum B is required.)
      3. Equipment lease or maintenance agreements. (Examples: Copier lease, equipment service agreement.)
      4. Other purchases required by Finance to be on a requisition/purchase order to achieve one or more of the following goals:
         1. Increase use of historically underutilized businesses.
         2. Obtain a vendor discount for volume purchases.
         3. Increase efficiency in the procurement/payment process.

Note: For requisitions/POs on 00730 and 00783, the department should upload the following to the requisition: Any bids/quotes obtained by the originating department, Addendum B (if needed), Addendum C (if needed), and Sole Source Justification form (if applicable). Additional solicitation documentation (RFP/RFQ/ITB, vendor responses, committee evaluations, award letter to vendor, etc.) will be maintained by Purchasing.

Posting POs to the Web

Beginning September 1, 2015, Finance will post all POs to the web for the following PO business units: 00730, 00783, CN730, CN783, FP730, and FP783. POs for RC730 and RC783 will not be posted because research contracts are not considered to be part of the Senate Bill 20 posting requirement. The POs will be posted until 30 days past the last “Due Date” on the PO. The following information will be posted: PO Business Unit, PO Number, Vendor ID, Vendor Name, and a link to the PO Coversheet (the vendor copy without cost centers and accounts).

What UH Departments Need to Do

Departments need to do the following to help us meet the new requirements:

1. In Requisition or PO Comments, enter the contract number, start and end date for any signed agreement. Also enter the start and end date for any lease, subscription, membership, software license, or maintenance agreement or any purchase that has a start and end date. (Requisition Comments automatically copies to PO Comments.)
2. Change the Due Date on each line of the requisition (defaults to today’s date) to be date that the good or service described on that line is expected to be delivered or completed. You can also change the Due Date in PO Header Defaults so that it changes all PO lines.

Example: You are creating a requisition for 12 months (September 1, 2015 to August 31, 2016) of a 36 month copier lease. The lease began September 1, 2014 and ends August 31, 2017. In Requisition or PO Comments, you enter “Lease Term is September 1, 2014 to August 31, 2017.” In the PO Header Defaults, you enter a Due Date of August 31, 2016, because this is when the PO ends. While POs for non-project cost centers end no later than the end of the fiscal year, POs for project cost centers may cross fiscal years.