

## Section 3.0

### General Audit Procedures

Texas Government Code § 2155.325 and 34 Texas Administrative Code § 20.48, authorize TPASS to perform audits on documents submitted into the Uniform Statewide Accounting System (USAS).

Basic procedures that apply to auditing all types of delegated and non-delegated payment processes are described in the following sections. See Section 2.47 Purchase Category Codes (PCC) of the Procurement Manual for a list of the Purchase Category Codes (PCC) identifying these payments.

#### **Determining the Procurement and Payment Procedure Applicable to the Purchase.**

1. Determine the estimated dollar amount of the purchase.
2. Establish the [commodity class and item number](#). TPASS uses the National Institute of Governmental Purchasing (NIGP) Commodity Book that numerically classifies supplies, equipment, materials and services based on class and item. The class and item code is required on the Purchase Order.
3. Check purchasing procedures based on commodity class and item, relevant dollar threshold and procurement method.
4. Consult the TDCJ/Texas Correctional Industries (TCI) catalogue [see Section 2.5 Set-aside Purchases] the Texas Council for Purchasing from People with Disabilities (currently TIBH) catalogue.
5. Consult the State Term Contracts [see Section 2.6 Term Contracts].
6. If purchase is less than \$5000, use Non-Competitive Purchase procedures (spot purchase).
7. If AIS (Automated Information Systems) Telecom related purchases, see the Procurement Manual, Section 2.11 Automated Information Systems/Telecommunications Commodities and Services Purchases
8. If DIR exemptions or blanket purchase order procedures apply, follow the procedure under 34 Texas Administrative Code § 20.391.

#### **Competitive Bid Purchases:**

- Purchases between \$5,000 and \$10,000 require informal bids. Obtain three (3) telephone bids from vendors on the CMBL, two (2) of which must be certified HUBs. Additional bids (CMBL and non-CMBL) may be obtained. [See Section 2.24 Centralized Masters Bidders List.
- Purchases between \$10,000 and \$25,000 require formal bids. Obtain three (3) written bids from vendors on the CMBL, two (2) of which must be certified HUBs. [see Sections 3.0 General Audit Procedures and 2.25 Bid Receipt – Invitation for Bids].
- Purchases of services exceeding \$25,000 require formal bids from all eligible vendors on the CMBL serving your agency's geographic area [see Section 3.0 General Audit procedures and 2.25 Bid Receipt – Invitation for Bids].

There are two types of bid tabulations: informal and formal. The type of bid tabulation used is determined by the procedure used to obtain bids, either informal bids (such as bids taken over the telephone) or formal bids (such as written bids or an Invitation for Bid – IFB). The type of bid procedure is dependent upon the estimated or total dollar amount of the purchase and the class and item

Requirements for an Informal Bid Tabulation (see Section 2.7 Open Market Solicitations)

- CMBL/HUB bidders contacted (vendor's name);
- Name of person contacted and their telephone number;
- TPASS certified HUB ethnicity/gender source statements;
- Bid amounts;
- All responses (include no bids or no responses); and
- Indicate awarded vendor.

Requirements for a Formal Bid Tabulation (see Section 2.7 Open Market Solicitations).

**Note:** There should be one of these responses for every vendor on the bidder's mailing list from the CMBL/TPASS certified HUB list.

- When the CMBL mailing list is used, the HUB ethnicity and gender source statements will be indicated. If you are using the CMBL mail label list, you must still indicate the HUB source statements on the bid tabulation;
- All responses need to include dollar amount, no bid, or no response;
- Reason for rejection of any bid; and
- Indicate the awarded vendor and issue a purchase order or notice of award.