



Responsible Office: Procurement Operations  
 Administering Official: Executive Director, Procurement Operations  
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 Applicable Policy: Procurement Guideline No.13 - Cooperative Procurements

Procurement Guidelines are issued by the Executive Director under Article 1 of the Houston City College Procurement Operations Procedures Manual.

## Procurement Operations Guidelines for Cooperative Procurements

### PURPOSE AND SCOPE

These guidelines establish the processes, responsibilities, and internal controls governing the use of cooperative procurement methods at Houston City College, including State Contracts, Interlocal Agreements, and Department of Information Resources (DIR) catalog purchases. They apply to all HCC departments, employees, and agents engaged in procurement activities utilizing cooperative contracts for goods and services and cover all funding sources, including local, grant, and auxiliary funds, except where specific grant or funding requirements impose more restrictive rules.

### GUIDELINES

#### 1. Definitions

For purposes of these procedures, the following terms apply, consistent with the HCC Procurement Operations Procedures Manual:

Term	Definition
Cooperative Procurement	Use of contracts awarded by another governmental entity or cooperative purchasing organization in accordance with Texas Government Code Chapter 791, Local Government Code Chapter 271, and related statutes.
State Contract (TBPC/SPD/TXMAS)	Contracts established under Local Government Code 271.081–.083 and other applicable state programs permitting local governments to purchase from state-awarded term contracts.
Interlocal Agreement	An agreement under Texas Government Code Chapter 791 between HCC and another governmental entity or cooperative to perform governmental functions or services, including “piggybacking” on competitively procured contracts.
DIR Catalog Purchase	Acquisition of automated information systems and related technology via the DIR cooperative purchasing program under Texas Government Code Chapters 2054 and 2157 and Texas Education Code 44.031(i).
Cooperative Contract Fee	Any administrative, management, or usage fee paid by HCC or embedded in pricing under a cooperative contract, subject to Texas Education Code 44.0331 reporting for contracts valued at \$25,000 or greater.

#### 2. Authority, Roles and Thresholds

##### 2.1 Authority

Procurement Operations is the sole authority to conduct cooperative procurements on behalf of HCC, subject to delegated signature authority and Board-approved thresholds set forth in HCC policy and the Procurement Operations Procedures Manual.

The HCC Board of Trustees authorizes participation in specific cooperatives and sets expenditure limits, including the standard authority to expend up to \$499,999.99 per cooperative contract with Chancellor approval and without additional Board approval, unless otherwise required by law or policy.

## 2.2 Key Roles and Responsibilities

- Requesting Department
  - Identifies business need and potential cooperative solutions.
  - Ensures technical specifications and scope of work match programmatic requirements.
  - Initiates requisitions and obtains required internal approvals (e.g., cost center manager, dean, vice chancellor).
- Procurement Operations
  - Confirms legal eligibility to use the cooperative contract (membership, executed interlocal/cooperative agreement on file, contract scope and term, compliance with Texas procurement statutes).
  - Conducts best value review, including price benchmarking and confirmation that use of the cooperative is appropriate and not being used to circumvent competitive requirements.
  - Verifies contract documentation and fee structures, including applicable cooperative fees and reporting obligations under Texas Education Code 44.0331.
  - Issues purchase orders and maintains procurement records.
- Chancellor or Designee
  - Approves cooperative contract purchases consistent with delegated signature authority, including single transactions or cumulative expenditures up to the Board-approved limit per contract (up to \$499,999.99).
- Board of Trustees
  - Approves resolutions authorizing participation in specified cooperative programs and interlocal agreements.
  - Approves cooperative expenditures exceeding the Board delegation limit or when otherwise required (e.g., large construction-related cooperative purchases where Board policy requires approval).
  - Receives annual cooperative fee report required by Texas Education Code 44.0331, presented and considered in an open meeting.

## 2.3 Approval Threshold Summary

The following thresholds apply uniformly across all cooperative procurement methods (State Contract, Interlocal, and DIR):

Dollar Threshold	Approval Required	Notes
<b>Under \$500,000</b>	Chancellor or Designee	Within Board-approved cooperative limit and delegated authority
<b>\$500,000 and above</b>	Board of Trustees	Board resolution required prior to commitment; applies also when otherwise required by law or policy

### 3. Standard Cooperative Procurement Process

At a high level, all cooperative purchases follow the eight-phase sequence below. Each phase is detailed in Sections 4 through 6.

#	Responsible Party	Phase	Action / Description
1	Requesting Dept.	Need Identification	Identify business need, confirm funding source and budget code, determine technical/functional requirements
2	Procurement Ops.	Cooperative Eligibility	Verify cooperative availability; confirm membership on file, executed interlocal agreement, contract scope, term, and statutory compliance
3	Procurement Ops.	Method Determination	Select appropriate method: State Contract (TBPC/SPD/TXMAS), Interlocal/Cooperative (BuyBoard, TIPS, Sourcewell, E&I, etc.), or DIR Catalog
4	Procurement Ops.	Validation & Best Value	Confirm eligibility, contract terms, pricing, fees, and competitive basis; conduct price benchmarking and best value analysis; document rationale in procurement file
5	Chancellor / Board	Threshold & Approval	Route for approval per dollar threshold: less than \$25,000 standard; \$25,000–\$499,999.99 Chancellor or designee; \$500,000 and above; Board resolution prior to commitment
6	Procurement Ops.	Fee Reporting Check	For contracts ≥\$25,000: document cooperative/admin fees for annual Board report per TEC §44.0331
7	Requesting Dept. + Procurement Ops.	Requisition & PO	Dept. submits PeopleSoft requisition citing cooperative contract; Procurement Ops. reviews, confirms funding, and issues PO
8	Requesting Dept. + Procurement Ops.	Contract Administration	Dept. confirms receipt/performance; Procurement Ops. monitors vendor performance, maintains audit documentation, tracks fees

**Important:** Splitting purchases across multiple transactions or requisitions to avoid applicable approval thresholds is strictly prohibited and constitutes a violation of HCC procurement policy.

### 4. Detailed Procedures by Method

#### 4.1 State Contract (TBPC/SPD/TXMAS and Similar Programs)

##### 4.1.1 Applicability

Use when the required goods or services are covered by a state-awarded term contract (e.g., SPD term contracts, [TXMAS](#)) and the state contract is open to local governments and community colleges under Local Government Code 271.081–.083.

##### 4.1.2 Process Steps

###### Step 1 — Department Need and Contract Identification

Requesting department identifies need and checks with Procurement Operations for applicable interlocal agreements or cooperative contracts.

###### Step 2 — Eligibility and Contract Validation (Procurement Operations)

- Confirms HCC’s eligibility to buy under the specific state contract.
- Verifies:
  - Current contract term and any renewals.

- Scope of goods/services.
- Pricing schedule and discounts.
- Any usage or administrative fees.

### Step 3 — Best Value and Price Analysis

Procurement Operations performs price analysis (e.g., comparison to historical purchases, market quotes, or other cooperative contract pricing) to support best value determination, consistent with higher education internal control models.

### Step 4 — Requisition and Purchase Order

- Department submits a PeopleSoft requisition referencing:
  - Goods or Services Sought
  - Budget Code
  - Client Department Project Manager or Point of Contact
- Procurement Operations:
  - Reviews requisition for completeness.
  - Confirms funding.
  - Issues purchase order citing the state contract as the procurement method.
  - Interlocal or Cooperative contract number and term.
  - Cooperative or state entity.
  - Any applicable fees.

### Step 5 — Thresholds, Approvals, and Board Reporting

- For purchases under \$500,000: Chancellor or designee approval if within delegated authority and contract within Board-approved cooperative limit.
- For purchases \$500,000 and above, beyond delegated authority: Board approval required prior to commitment.

### Step 6 — Performance and Receipt

Department confirms receipt and/or performance; Procurement Operations monitors vendor performance and maintains documentation for audit purposes.

#### **4.1.3 Controls**

- Separation of duties between requester, approver, and Procurement Operations.
- Required documentation of contract number, price analysis, and justification for cooperative use in the procurement file.
- Periodic review of state contract usage and vendor performance metrics.
- Inclusion of cooperative/state contract purchases in annual fee and utilization reporting.

## **4.2 Interlocal Agreements and Cooperative Purchasing Organizations**

### **4.2.1 Applicability**

Use when HCC purchases under a contract awarded by another governmental entity or cooperative purchasing organization through competitive procedures, pursuant to Texas Government Code Chapter 791.

Includes regional councils of governments, school district cooperatives (BuyBoard, TIPS, Choice Partners, etc.), and higher education alliances (UT System Supply Chain Alliance) where HCC has executed membership or interlocal participation agreements.

#### **4.2.2 Process Steps**

##### Step 1 — Membership / Agreement Execution

Legal and Procurement Operations ensure an executed interlocal or membership agreement is on file, specifying:

- Purpose and scope of the agreement.
- Roles and responsibilities.
- Payment and fee terms.
- Funding from current revenues as required by Texas Government Code 791.

##### Step 2 — Contract Identification

Procurement Operations assists the requesting department in identifying suitable cooperative contracts (e.g., through online portals such as BuyBoard, E&I, Sourcewell) that fit the needed scope, technical requirements, and term.

##### Step 3 — Competitive Basis Verification

Procurement Operations obtains evidence that the cooperative contract was awarded via a competitive process compliant with applicable Texas statutes (e.g., solicitation, evaluation, award documentation from the lead entity).

##### Step 4 — Best Value and Supplier Selection

Evaluate available cooperative contracts and suppliers for best value, including price, quality, delivery, and any diversity or small business objectives.

Document rationale for selecting a specific cooperative contract and vendor in the purchase file.

##### Step 5 — Thresholds, Approvals, and Board Reporting

Apply the same dollar thresholds and Board approval requirements used for state contracts:

- For purchases under \$500,000: Chancellor or designee approval if within delegated authority and contract within Board-approved cooperative limit.
- For purchases \$500,000 and above, beyond delegated authority: Board approval required prior to commitment.

For any cooperative contract valued at twenty-five thousand dollars (\$25,000) or greater, document all contract-related fees and include them in the annual cooperative fee report to the Board.

##### Step 6 — Requisition and Purchase Order

- Department enters requisition citing:
  - Name of cooperative or lead entity.
  - Contract number and term.
  - Any applicable fees and discounts.
- Procurement Operations issues purchase order referencing the cooperative contract and retains supporting documents.

#### **4.2.3 Controls**

- Legal review of interlocal agreements and cooperative memberships prior to execution.

- Maintenance of a current list of Board-approved cooperatives and interlocal partners, updated at least annually and presented to the Board as needed, consistent with best practices at other Texas community colleges.
- Periodic internal audits or reviews focusing on:
  - Proper use of cooperative contracts (no splitting to avoid thresholds).
  - Adequacy of documentation (contract, competition evidence, best value analysis).
  - Alignment with COSO internal control components (control activities, information and communication, monitoring).

### **4.3 Department of Information Resources (DIR) Catalog Purchases**

#### **4.3.1 Applicability**

Use when acquiring automated information systems, computers, related peripherals, software, and eligible technology services via DIR contracts, as authorized under Texas Government Code 2054 and 2157 and Texas Education Code 44.031.

#### **4.3.2 Process Steps**

##### Step 1 — Requirements Definition

Requesting department, in collaboration with IT, defines technical and functional requirements for the technology purchase.

##### Step 2 — DIR Contract Identification

Procurement Operations and IT identify applicable DIR contracts and vendors and, when possible, obtain at least three catalog proposals from qualified vendors, consistent with best practices and HCC's existing procedure.

If three proposals are not evaluated, Procurement Operations documents the reasons for proceeding with fewer in the procurement file.

##### Step 3 — Price and Best Value Evaluation

Evaluate proposals for total cost of ownership, compatibility with existing systems, warranty/service terms, and vendor performance history.

##### Step 4 — Thresholds and Approvals

Apply the same thresholds and approvals as for other cooperative contracts, including Chancellor authority up to five hundred thousand dollars (\$500,000) per cooperative contract without additional Board approval where permitted by policy.

##### Step 5 — Requisition and Purchase Order

Department submits requisition referencing DIR contract number, line items, and any volume discounts.

Procurement Operations issues purchase order citing DIR as the method of procurement and ensuring compliance with any DIR-specific ordering instructions.

#### **4.3.3 Controls**

- IT review for all significant DIR purchases to ensure security, integration, and standardization.
- Documentation of vendor quotes, DIR contract terms, and price analysis.
- Periodic reconciliation of DIR usage to IT asset records and inventory.

### **5. Cooperative Contract Fees and Annual Reporting**

#### **5.1 Fee Identification and Documentation**

For all cooperative contracts valued at twenty-five thousand dollars (\$25,000) or greater, Procurement Operations will document:

- The existence and amount of any management, administrative, or usage fee.

- Whether the fee is paid directly by HCC or embedded in contract pricing.
- The purpose and disposition of the fee, as required by Texas Education Code 44.0331.

## **5.2 Annual Reporting to the Board**

At least annually, Procurement Operations will prepare a written report for the Board including:

- List of cooperative contracts used with value  $\geq$  twenty-five thousand dollars (\$25,000).
- Amount, purpose, and disposition of any related fees.
- Summary of cooperative usage and savings, aligned with best practices showing the benefits of cooperative procurement in higher education.

The report will be listed as a Board agenda item and presented in an open meeting.

## **6. Internal Controls and Compliance**

### **6.1 Key Control Activities**

Division of Duties: Distinct roles for requisition initiation, approval, procurement processing, receiving, and accounts payable.

Approval Controls:

- System-enforced workflow in PeopleSoft, based on dollar thresholds and account codes.
- Manual verification for transactions near Board approval limits.

Documentation Controls:

- Cooperative contract documentation (contract, amendments, solicitation summary) retained in the procurement file.
- Evidence of competitive basis and best value determination for selected cooperative contracts.

### **6.2 Monitoring and Review**

Procurement Operations will periodically review cooperative procurement activity for:

- Compliance with thresholds, approvals, and reporting requirements.
- Alignment with HCC small business objectives and goals.
- Adherence to ethics and conflict-of-interest standards.
- Appropriateness of methodology, new options in the marketplace, and practicality of an HCC-driven solicitation.

Internal Audit may conduct audits of cooperative procurements focusing on internal control design and operating effectiveness.

### **6.3 Training and Communication**

Procurement Operations will provide periodic training for departments on:

- Appropriate use of cooperative contracts and available cooperatives.
- Required documentation, thresholds, and approvals.
- Ethics, conflict of interest, and prohibition on splitting purchases to avoid thresholds.