HSC OP: 72.02, **Guidelines for Proprietary Purchasing**

**PURPOSE:** The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to establish the policies and procedures to be followed when making proprietary purchases.

**REVIEW:** This HSC OP will be reviewed on November 1 of even-numbered years (ENY) by the Director of Purchasing, with recommendations for revisions forwarded to the Executive Vice President for Finance and Administration by November 15.

**POLICY/PROCEDURE:**

1. **Policy.**
   a. Texas Government code, Title 10, Subchapter A, Sec. 2155.063 provides that a purchase of or contract for goods or services shall, whenever possible, allow competition.
   b. Purchasing shall review the specifications and purchase conditions of goods or services considered for purchase. If Purchasing finds that specifications and/or conditions of a purchase request require a good or service that is proprietary to one manufacturer and do not allow competition or an equivalent, then Purchasing shall require the requesting department to justify why a proprietary good or service is required.
   c. Proprietary purchases in excess of $15,000.00 must be justified in writing.

2. **Proprietary Products.** Proprietary products are manufactured under exclusive rights derived from a trade name patent, copyright or other legally protected right. Products of one manufacturer will be considered as proprietary if they have a distinguishable feature or characteristic which is not shared or provided by similar and competing products.

3. **Proprietary Services.** Proprietary services are defined as services that only one provider can perform.

4. **Procedure.** Requests for proprietary purchases should only be used when the need is such that competition is restricted to one manufacturer or service provider. This procedure is implemented by completing and attaching the “Sole Source or Proprietary Purchase Justification” form (Attachment A). The form is also found on the Purchasing website at [http://www.fiscal.ttuhsce.edu/purchasing/](http://www.fiscal.ttuhsce.edu/purchasing/).

*It is important to note that the need should not be justified; but rather why a proprietary good or service is required to meet the need.*