

Restrictions on Contracting with and Paying Certain Vendors

Original Implementation: January 25, 2000

Last Revision: April 24, 2018

The university is required by Tex. Gov't Code § 2252.903 and the United States President's Exec. Order No. 13224, 66 Fed. Reg. 49079 (Sept. 23, 2001) to determine vendor eligibility for contracts and/or payments. The university may contract with any vendor on state warrant hold and follow established procedures for notifying the vendor and holding payment. The university is strictly prohibited from contracting with any vendor listed on the federal government specially designated nationals list (SDN).

DEFINITIONS

Warrant Hold is a status identifying vendors who are delinquent in payments to the state of Texas and prohibiting the state comptroller and state agencies from issuing payment to the vendor. Warrant hold information is maintained in the state comptroller's Texas Identification Number System (TINS).

SDN is a federal government specially designated nationals list identifying vendors with whom the United States President's Executive Order 13224 prohibits any government entity from doing business.

SAM is a federal system for award management that encompasses all federal restrictions related to doing business with excluded vendors.

RESPONSIBILITY FOR DETERMINATION

It is the responsibility of the department placing the order to ensure that the selected vendor is NOT on warrant hold or listed with an active exclusion on the federal system for award management (SAM) up to 7 days before the contract date, but no later than the contract start date. Refer to Delegated Purchasing Authority (17.5) to determine departmental responsibility. It is the responsibility of the accounts payable office to ensure that the selected vendor is NOT on warrant hold prior to processing a university payment.

HOW TO MAKE A DETERMINATION

State Comptroller Warrant Hold Status Determination

The university's financial system will terminate and prevent the use of any vendor in the financial system that is on warrant hold. For vendors not in the university's financial system, vendor warrant hold status must be searched on the state comptroller's Vendor Hold Search website. Contact accounts payable or the procurement office for assistance. If a vendor is found

to be on warrant hold, the following applies:

- a. Purchase orders – the purchase order or contract may be issued but must include a clause on the purchase order or contract relating to the warrant hold status.
- b. P-Card – expenditures over \$500 are not allowed from a vendor on warrant hold.
- c. Accounts Payable – accounts payable may make a payment to an entity on warrant hold using local funds if the hold source agency or agencies consent to the payment. Such payment can only be made after securing documentation of the consent. Otherwise payment must be made to the hold source agency or agencies.

Federal Government Specially Designated Nationals List (SDN) Determination

The verification process involves searching for the vendor by vendor name on the SAM website. Contact the procurement office for assistance. If a match is found, contact the director of procurement. Purchase Orders and contracts may not be issued to any vendor with an active exclusion on the SAM website.

Cross Reference: Tex. Gov't Code § 2107.008; Tex. Gov't Code § 2252.903; Exec. Order No. 13224, 66 Fed. Reg. 49079 (Sept. 23, 2001); State Comptroller Fiscal Policies and Procedures, FPP P.007; Delegated Purchasing Authority (17.5)

Responsible for Implementation: Vice President for Finance and Administration

Contact for Revision: Director of Procurement and Property Services/HUB Coordinator

Forms: None

Board Committee Assignment: Finance and Audit