# Vocational Rehabilitation Services Manual D-200: Purchasing Goods and Services

Revised on Oct. 1, 2019

## D-205: Purchasing Threshold Requirements

Purchasing thresholds are established to ensure that management oversees purchases in accordance with the VR Grant award (2 CFR 200) regarding the use of internal controls and compliance with state procurement requirements. VR counselors must review associated chapters in the VRSM and VR-SFP in addition to reviewing the table published below prior to including the service on an IPE and authorizing the purchase of any good or service.

Purchasing threshold requirements are in addition to any other published policies and procedures for the purchase of specific goods and services.

Purchases must not be split (separated into multiple purchases) to avoid purchasing threshold requirements in this section and throughout the VRSM. For more information, refer to [D-203-6: Ethics of Purchasing](https://twc.texas.gov/vr-services-manual/vrsm-d-200#d203-6).

### D-205-1: Approval Requirements by Threshold

All purchases of goods or services must be authorized by the VR counselor and documented clearly in a case note or the customer's IPE and a service authorization must be issued. For more information, refer to [E-300: Case Note Requirements, Service Justification](https://twc.texas.gov/files/partners/vrsm-e-300.docx) and [B-500: Individualized Plan for Employment](https://twc.texas.gov/vr-services-manual/vrsm-b-500) for more details.

The following approvals must be documented for a proposed purchase (in addition to any other required consultations or approvals) prior to the VR counselor authorizing the purchase of a good or service:

* Greater than $5,000 to $15,000 – VR Manager approval required.
* Greater than $15,000 to $25,000 – Regional director or deputy regional director approval required.
* Greater than $25,000 – Regional director or deputy regional director, and VR Division Director approval required.

Refer to D-205-4: Exceptions to Purchasing Threshold Requirements for a specific list of goods or services that are exempt from these threshold requirements.

For more information, including additional approval, consultation, and notification requirements, refer to [E-200: Summary Table of Approvals, Consultations, and Notifications](https://twc.texas.gov/files/partners/vrsm-e-200.docx).

### D-205-2: Pre-purchase Review

In addition to requirements throughout the VRSM and the VR Standards for Providers (VR-SFP), for all purchases that are over $2,500 per service authorization or per customer in a multicustomer SA, a pre-purchase review must be completed by the administrative supervisor or purchasing specialist prior to the purchase. The purpose of a pre-purchase review is to ensure that all required policies, procedures, and approvals applicable to the specific purchase have been followed and, as required, documented prior to issuing the service authorization (SA).

When a pre-purchase review is required for a multicustomer SA, separate pre-purchase reviews must be completed for each applicable customer to ensure the purchase is compliant in each case.

When a RHW Purchase Approval is required, the pre-purchase review is completed after the RHW Purchase Approval is completed.

Pre-purchase reviews are documented in ReHabWorks using the "Purchasing Pre-review" case note topic. Refer to E-300: Case Note Requirements, Purchasing Pre-Review for specific documentation requirements.

If an approver has reviewed and documented an element of the pre-purchase review requirements as part of their approval prior to the pre-purchase review, the staff completing the pre-purchase review does not have to duplicate these efforts during their review or documentation of the review.

Pre-purchase reviews may also be entered as a partial purchasing review or a case reading in TxROCS, but this is not required unless the proposed purchase is returned to the caseload for further action for one of the following reasons:

* Proposed purchase is not clearly supported by existing case documentation.
* Proposed purchase is not in the customer's current IPE or most recent IPE amendment.
* Proposed purchase is not clearly connected to and supportive of vocational objective.
* Proposed purchase not allowable under federal regulations or state requirements.

When a proposed purchase Pre-purchase Review is either "complete" (no further action required) or "returned" to the caseload for further action, the caseload carrying team is notified accordingly.

Refer to D-205-4: Exceptions to Purchasing Threshold Requirements for a specific list of goods or services that are exempt from these threshold requirements.

### D-205-3: Competitive Bids

Competitive bids are required for the purchase of non-contracted goods and services when a single service authorization (SA) cost that is greater than $5,000.

Competitive bids are not required for the purchase of training services, including tuition, required fees, and room and board for training when paid directly to the training institution (excludes room and board paid to other entities, such as apartment complexes).

If the product or service is not under contract or is not a MAPS purchase, and the cost is less than $5,000, the purchase is completed as a spot purchase using noncompetitive purchasing procedures.

Refer to D-205-4: Exceptions to Purchasing Threshold Requirements for a specific list of goods or services that are exempt from these threshold requirements.

### D-205-4: Exceptions to Purchasing Threshold Requirements

Purchasing threshold requirements are in addition to any other published policies and procedures for the purchase of specific goods and services. If a good or service is listed below as “exempt” from the purchasing threshold requirements in this section of the VRSM, staff must review other sections of the VRSM to ensure that they have complied with all processes and procedures before generating the service authorization.

The following purchases are exempted/excluded from the purchasing threshold requirements throughout D-205: Purchasing Threshold Requirements:

* contracted hospital services;
* contracted durable medical equipment (DME);
* contracted orientation and mobility or diabetes education services;
* contracted hearing aids and related products;
* interpreter/CART services for students enrolled in training programs for longer than 30 days when paid to paid directly to the training institution or an appropriately contracted service provider;
* medical goods and services, including orthotics and prosthetics and low-vision devices, purchased using MAPS codes;
* tuition, required fees, and room and board for training when paid directly to the training institution (excludes room and board paid to other entities, such as apartment complexes);
* contracted vehicle modifications; and
* other contracted services, as established and described in the VR Standards for Providers manual.

#### Multicustomer SAs

These purchasing threshold requirements do not apply to the total cost of a multi-customer service authorizations. However, threshold requirements do apply to multicustomer service authorizations when a per customer cost reaches one of the threshold amounts. When a per customer cost reaches one of the threshold amounts, including the $2,500 threshold for pre-purchase reviews, the purchase requires the same approvals and reviews as a single non-multicustomer SA would require.

For additional information about multicustomer SAs, refer to [D-213-5: Multicustomer Purchases](https://twc.texas.gov/vr-services-manual/vrsm-d-200" \l "d213-5).