

Policy 4-1 Rev. 6
Date: May 17, 1999

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Subject: **UNIVERSITY PROCUREMENT**

I. PURPOSE

To outline the general procurement policies and responsibilities of the university.

II. REFERENCES

[Policy and Procedures No. 4-2](#), Requisition Preparation and Processing

[Policy and Procedures No. 4-3](#), Small Purchases and Expedited Procurement

[Policy and Procedures No. 4-4](#), Restricted Purchases and Special Procurement

[Policy and Procedures No. 4-5](#), Solicitation of Bids, Proposals, and the Award of Procurement Contracts

[Policy and Procedures No. 4-7](#), Stores and Receiving

[Policy and Procedures No. 4-8](#), Procurement from Vendor in Which University Personnel Have an Interest

[Policy and Procedures No. 4-16](#), Equipment Inventory Screening and Requisitioning

Utah Procurement Code, 1953 Utah Code Annotated, sections 63-56-1 et seq.

III. DEFINITIONS

As used in this policy, and in the Policy and Procedure provisions cited in the references above, the following terms shall have the same meaning as in the Utah Procurement Code, adapted to the University of Utah:

A. "Architect-engineer services" means professional services within the scope of the practice of architecture as defined in section 58-3, or professional engineering as defined in section 58-22, Utah Code Annotated, 1953.

B. "Business" means any corporation, partnership, individual sole proprietorship, joint stock company, joint venture or any other private legal entity.

C. "Change order" means a written order signed by the purchasing agent or designee, directing the contractor to suspend work or make changes, which the appropriate clauses of the contract authorize without the consent of the contractor of any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity or other provisions of any contract accomplished by mutual action of the parties to the contract.

D. "Construction" means the process of building, renovating or demolishing any university structure or building, major developmental work or landscaping of university real property. It does not include the routine operation, routine repair or routine maintenance of existing structures, buildings or real property.

E. "Contract" means any university agreement for the procurement or disposal of supplies, services or construction.

F. "Cost-reimbursement contract" means a contract under which a contractor is reimbursed for costs which are allowable and allocable in accordance with the contract terms and the provisions of this policy, and a fee, if any.

G. "Multiple primary vendor award" means the award of purchase contracts to more than one vendor to furnish the same or similar supplies, services or construction so as to afford alternate sources to satisfy particular delivery, service or other unique procurement requirements.

H. "Established catalogue price" means the price included in a catalogue, price list, schedule or other form that:

1. is regularly maintained by a manufacturer or contractor;
2. is either published or otherwise available for inspection by customers; and
3. states prices at which sales are currently or were last made to a significant number of any category of buyers, or buyers constituting the general buying public, for the supplies or services involved.

I. "Grant" means the furnishing of financial or other assistance by the state, or by any other public or private source, to any person to support a program authorized by law. It does not include an award whose primary purpose is to procure an end product, whether in the form of supplies, services or construction; a contract resulting from such an award is not a grant but a procurement contract.

J. "Invitation for bids" means all documents, whether attached or incorporated by reference,

utilized for soliciting bids.

K. "Person" means any business, individual, union, committee, club, other organization or group of individuals, not including a state agency, political subdivision, public authority or local public entity.

L. "Procurement" means buying, purchasing, renting, leasing or otherwise acquiring any supplies, services or construction. It also includes all functions that pertain to the obtaining of any supply, service or construction, including description of requirements, selection and solicitation of sources, preparation and award of a contract and all phases of contract administration.

M. "Purchasing Agent" means any person duly authorized to enter into and administer contracts and make written determinations with respect thereto. It also includes an authorized representative acting within the limits of authority.

N. "Purchase description" means the words used in a solicitation to describe the supplies, services or construction to be purchased, and includes specifications attached to or made a part of the solicitation.

O. "Request for proposals" means all documents, whether attached or incorporated by reference, utilized for soliciting proposals.

P. "Reasonable bidder or offer or" means a person who has the capability in all respects to perform fully the contract requirements and who has the integrity and reliability which will assure good faith performance.

Q. "Responsive bidder" means a person who has submitted a bid which conforms in all material respects to the invitation for bids.

R. "Services" means the furnishing of labor, time of effort by a contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance. It does not include employment agreements or collective bargaining agreements.

S. "Specification" means any description of the physical or functional characteristics, or of the nature of a supply, service or construction item. It may include a description of any requirement for inspecting, testing, or preparing a supply, service or construction item for delivery.

T. "Supplies" means all property, including but not limited to equipment, materials, printing and leases of real property, excluding land or a permanent interest in land.

U. "Surplus supplies" means any supplies that are no longer needed for public use. It

includes expendable supplies, scrap materials and nonexpendable supplies that have completed their useful life cycle.

IV. POLICY

A. Purchasing Department Responsibilities

1. The Purchasing Department is responsible for the procurement of all supplies and services required by the University of Utah and all its departments, including services departments and auxiliaries, except for (1) purchases specifically exempted under paragraph B, below; (2) any purchases under \$300 made in accordance with [Policy and Procedures No. 4-3](#); and (3) procurement relating to building construction and architect-engineer services obtained by the State Division of Facilities Construction and Management.
2. The Purchasing Department shall establish operating procedures with which to locate and ensure adequate and continuing sources of supply, consistent with legal, budgetary and delivery requirements of user departments; to provide the necessary assistance to acquire such supplies and services on a timely and economical basis; to assure compliance with all applicable state and federal laws and university regulations during the procurement process; and to provide assistance, consultation, and advice regarding all procurement needs of the university.
3. In discharging its responsibilities, the Purchasing Department may:
 - a. Initiate, conduct and conclude negotiations for the purchase of goods and services for the university.
 - b. Obligate the university for the purchase of goods and services.
 - c. Recommend changes in quality, quantity or kind of material requisitioned and/or to suggest appropriate alternatives.
 - d. Fill requisitions with items of equal usability and quality that are currently available in the inventories of the university.
4. The selection of suppliers in accordance with legal requirements is the responsibility of the Purchasing Department. However, suggestions by departments will be considered whenever they are competitive with other sources or when delivery requirements or other unique requirements so demand. The University of Utah Surplus and Salvage Department in all cases will be considered a primary university supplier.

B. Exceptions: Procurement Authority of Operating Units

1. By virtue of their special needs and the roles they fill at the university, the following operating units are authorized to solicit bids and issue purchase orders independent of the provisions of this section, but in keeping with written policies found within each department and with maximum practicable competition in all such contracting:

- a. Associated Students of the University of Utah
- b. Marriott Library (books and periodicals only)
- c. Eccles Health Sciences Library (books and periodicals only)
- d. S.J. Quinney Law Library (books and periodicals only)
- e. Physicians' Billing Office
- f. University Bookstore
- g. Hospital Purchasing Department
- h. University Food Service (when prior authorization has been extended in the form of blanket purchase orders)

The operating units specified above will be expected to comply with applicable university policies and procedures and to use substantially the same sound business practices in their purchasing activities as those followed by the Purchasing Department.

2. Operating units of the university may make small purchases (i.e., purchases of items under \$300, without going through the Purchasing Department by following procedures described in [Policy and Procedures No. 4-3](#)).

C. Limitations and Restrictions on Procurement

1. The university is prohibited from making purchases for the personal use of faculty or staff members.

2. Purchase of supplies, services or construction from faculty or staff is authorized if special procedures are followed to avoid a violation of the Utah

Public Officers' and Employees' Ethics Act, and when there is evidence that the purchase price is fair and reasonable. (See [Policy and Procedures No. 4-8.](#))

3. Unless specifically approved in writing by the Purchasing Agent, orders or commitments for procurement by faculty or staff members are not binding on the university, except as permitted by [Policy and Procedures No. 4-3](#) (Small Purchases and Expedited Procurement). Individuals who do not comply with university policy when placing procurement orders may become personally liable to the vendor for the contract price.

4. For additional restrictions on procurement of specified items, see [Policy and Procedures No. 4-4.](#)

D. Procedures

1. A purchase order may not be processed unless funds are available to cover the amount of the purchase. In addition, purchases made under federal contracts during the final weeks prior to the end of the contract period may be disallowed. (See [Policy and Procedures No. 4-2](#), Section IV B.)

2. Advance payments may not be made except to specified government agencies, vendors with minimum prepayment requirements and in certain other cases as determined appropriate by the Purchasing Department.

3. Any departmental correspondence relating to acquisition of goods or services must be processed through the Purchasing Department in order to avoid any unnecessary confusion or delay in the procurement process.

4. University commitment to affirmative action extends to all aspects of its affairs, including the purchasing function. As a vital part of this commitment, emphasis is placed on locating and encouraging small, socially/economically disadvantaged and women-owned businesses to become suppliers to the university on a continuing basis. Such purchases will remain consistent with university needs and vendor capabilities and be subject to applicable legal requirements and limitations. Accordingly, a program has been established in the Purchasing Department to ensure the maximum practicable opportunity for these businesses to participate as suppliers to the university. All individuals with authority to request purchasing services or commit university obligations are expected to familiarize themselves with this program.

5. Gifts of supplies, equipment or materials (other than samples) furnished without charge to the university may be accepted but must be reported to the Development Office to assure that the gift is recorded and an appropriate acknowledgment provided to the donor. Donated equipment should also be reported to the Property Accounting Department to assure that the items are properly inventoried.

6. Information is available for inspection at the Purchasing Department relative to legal and contractual remedies available to the university, or vendors contracting business with the university, suspension of bidding privileges, vendor debarment procedures, waiver of immunity, claims procedures and other legal provisions binding upon the university under the Utah Procurement Code, 1953 Utah Code Annotated sections 63-56-45 to 63-56-50 and 63-56-59 to 63-56-63.

7. Questions regarding existing orders, vendors, product availability or other procurement problems should be directed to the Purchasing Department. Reports of delays and suggestions for improvement of the purchasing process should be directed to the Purchasing Agent.

Approved: Board of Trustees 5/17/99

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