

Policy 3-100: University Procurement

I. Purpose and Scope

To outline the general procurement policies and responsibilities of the University of Utah which include: transparency, ensuring fair and equitable treatment of all suppliers and fostering broad-based competition and ensuring that procurement operations may be conducted efficiently to allow University personnel to effectively carry out the mission of the University. University procurement Policies are written to comply with Board of Regents Policy R571, Delegation of Purchasing Authority and the Utah Procurement Code. This Policy is binding for all University colleges, departments, and units, including University Hospitals & Clinics.

II. Definitions

As used in this Policy, and in the Rules and Procedure adopted to implement this Policy, the following terms shall have the same meaning as in the Utah Procurement Code, adapted to circumstances of the University of Utah:

- A. “Annual Cumulative Threshold” means the limit for the University for total purchases from a single supplier without competition during a fiscal year. The cumulative total includes all forms of payment.
- B. “Blanket order” means:
 - 1. Competitive: a contract that is awarded after a competitive process for recurring purchases at the bid price, typically during a fiscal year or contract period.
 - 2. Non-competitive: a procurement instrument that will allow recurring orders below the Single Procurement Threshold for goods and/or services during a fiscal year or contract period.

- C. "Chief procurement officer" means the person duly authorized to enter into and administer procurement contracts for the University and is delegated duties and responsibilities to administer all procurement activities. This position is filled by the Director of Procurement & Contracting Services who acts as the chief procurement officer referred to in the Procurement Code. Hereafter referred to as the Director of Purchasing.
- D. "Construction" means the process of building, renovating, altering, improving or repairing any University building or public work. Construction does not include the routine operation, routine repair or routine maintenance of an existing structure, building or real property.
- E. "Emergency procurement" means procurement conducted due to circumstances that threaten public health, welfare, safety, property, or other harm, including presenting a risk of causing financial harm to the University or significantly disrupting University operations, or circumstances where timeliness, litigation deadlines or other factors necessitate waiver of provisions of the standard procurement process.
- F. "Formal Purchase Threshold" is the minimum total procurement price that requires formal bid procedures including bid advertising, a minimum number of days for bid publication, etc. Informal purchases include those less than the Formal Purchase Threshold.
- G. "High Speed Printers/Copiers" means an automated or semi-automated offset press, digital, xerographic, or similar photo process machine capable of producing duplicate copies in excess of 90 pages per minute.
- H. "Invitation for bids" means all documents, whether attached or incorporated by reference, utilized for soliciting bids when cost is a major factor in determining the award.
- I. "Limited Purchase Order" or LPO means an official form obtained from the Accounts Payable Department for organizational use to purchase goods or

services below the Single Procurement Threshold. This delegated purchase authority is for purchases to a single supplier and a legal obligation is made for payment through Accounts Payable.

- J. "Non-standard furnishings" means office furniture, equipment, and accessories that are by their nature, beyond the functional need of the office, and would generally be considered to be more deluxe, extravagant or lavish (and therefore much more costly) than their "standard" counterpart.
- K. "Organizational unit" means a department, division, school, college or other campus entity which is part of the University of Utah.
- 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 using University funds.
- M. "Procurement contract or purchase order" means any University agreement for the procurement or disposal of supplies, services or construction. The word "contract" may be used interchangeably with procurement contract.
- N. "Professionals, Providers and Consultant Threshold" means the maximum total transaction cost that can be purchased by one Department/employee at one time for the services of a professional, provider or consultant when competition is encouraged but not required. The nature of professional, provider or consultant services may be ongoing. This limit applies when the contract for services is below the threshold or the fee otherwise expected to be charged for the scope of services is below the threshold. It is not permissible for a Department to engage in unlawful splitting of the transaction to meet the Professionals, Providers and Consultants Threshold.

- O. "Purchaser" means anyone that has procurement authority, whether direct or delegated. Other University employees may participate in the procurement process.
- P. "Purchasing Card (PCard)" means an institutional credit card administered by the Purchasing Department, billed directly to, and paid by the University of Utah, designated for the direct procurement of non-travel small purchases made by a University employee.
- Q. "Restricted Purchases" means acquisitions that are controlled and require special approvals and processing in compliance with laws, policy, etc.
- R. "Request for proposals (RFP)" means all documents, whether attached or incorporated by reference, utilized for soliciting proposals when other factors, in addition to cost, are considered significant in determining the award.
- S. "Requisition" means a document used to initiate the procurement of supplies and services utilizing approved University purchase orders. Requisitions are not purchase orders and shall not be used or represented as such.
- T. "Responsible bidder or offeror" means a supplier who has the capability to perform fully the contract requirements solicited in an invitation for bids or a request for proposals and who has the integrity and reliability to ensure good faith performance.
- U. "Responsive bidder or offeror " means a supplier who submits a response to an invitation for bids or a request for proposals which conforms in all material respects to the invitation for bids or request for proposals.
- V. "Sample" means supplies provided to the University for testing or evaluation purposes. Samples become the property of the University unless agreed otherwise in writing by the supplier and the University. Regarding sample textbooks, see Policy 6-318.

- W. "Services" means the furnishing of labor, time or effort by a supplier, not involving the delivery of a specific end product other than a report that is incidental to the required performance.
- X. "Single Procurement Threshold" means the maximum total transaction cost that can be purchased by one purchaser at one time from the same supplier when competition is encouraged but not required.
- Y. "Sole source" means that a contract may be awarded for supplies and/or services or construction to a supplier without competition and will be conducted pursuant to established University processes.
- Z. "Special Approvals" means acquisitions that are controlled by law, University Regulation or business practice and requires authorization prior to the purchase.
- AA. "Specification" means any description of the physical or functional characteristics, or nature of the supplies and/or services included in an invitation for bids, a request for proposals or contract. It may include a requirement for inspecting, testing, or preparing the supplies and/or services for delivery.
- BB. "Split transaction" means any transaction prohibited by law or University Regulation when an individual knowingly or intentionally divides a procurement with the intent to qualify as one or more small purchases; if, before dividing the procurement, it would not have qualified as a small purchase.
- CC. "Supplier" means a person, vendor, manufacturer, distributor or company, etc., that provides supplies and/or services.
- DD. "Supplies" means all property, including but not limited to equipment, materials and printing.
- EE. "University" means the University of Utah.

III. Policy

A. Purchasing Department

1. The Purchasing Department is responsible for the procurement of supplies and services required by the University of Utah and all its organizational units as required by law, except for purchases specifically exempted under paragraph B, below.
2. The Purchasing Department shall establish organizational procedures to ensure adequate and continuing sources of supply, consistent with legal, budgetary and delivery requirements of organizational units and to provide the necessary assistance to acquire such supplies and services in 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. The Director of Purchasing is responsible to adopt organizational procedures, procure or supervise the procurement of all supplies, services and construction needed by the University, and ensure compliance with state and federal laws and with University Regulations.
4. The responsibilities of the Purchasing Department are to:
 - a. Initiate, conduct and conclude solicitations and negotiations for the purchase of supplies and services for the University.
 - b. Obligate the University for the procurement of supplies and services.
 - c. Recommend changes in quality, quantity or kind of material requisitioned and/or to suggest appropriate alternatives.
 - d. Conduct the selection of suppliers in accordance with legal requirements.

B. Exceptions: Procurement Authority of Organizational Units

1. By virtue of their special needs and the roles they fill at the University, some organizational units may be authorized to solicit bids and may be delegated procurement authority at a higher spend level than normally authorized, compliant with University Regulations, the Utah Procurement Code and written rules found within the organizational unit. Organizational units that qualify for this exception will be identified in Rule and enter into a written memorandum of understanding with the Director of Purchasing. Other organizational units may be extended similar limited procurement exceptions as described in writing, at the discretion of the Director of Purchasing. The Director of Purchasing retains procurement authority for these organizational units and may request periodic audits of the delegated purchase authority. (see [Rule R3-100D](#))
2. In addition to the special authorizations referred to in paragraph #1, all organizational units of the University may make small purchases by following requirements provided for in a University Rule implementing this Policy. (see [Rule R3-100D](#))
3. The University of Utah Office of General Counsel shall have authority to conduct procurements for the hiring of outside counsel, expert witnesses and litigation support services.
4. Items purchased by the University for resale are exempt from competitive bid requirements
5. Supplies and/or services purchased by organizational units from other organizational units within the University are exempt from competitive bid requirements.

C. Limitations and Restrictions on Procurement

1. The University is prohibited from procuring supplies or services for the personal use of any University employee. Organizational unit management is

responsible to ensure the University Expenditure Policy and Purchasing Regulations are observed. (see Policy 3-010)

2. Unless specifically approved in writing by the Director of Purchasing or by a University Officer as defined in [Policy 3-004](#), orders or commitments for procurement by University employees are not binding on the University, except as permitted by University Regulation. (see [Rule R3-100D](#))
Individuals who do not comply with University policy when placing procurement orders may become personally liable to the supplier for the contract price.
3. Procurement contracts with significant legal implications (excluding contract forms preapproved by the Director of Purchasing or the Office of General Counsel, such as purchase orders, independent contractor agreements, etc.) require review by the Office of General Counsel prior to contract execution. (see [Policy 3-004](#))
4. Additional restrictions on procurement of specified items may apply, as described in a University Rule implementing this Policy. (see Rule [R3-100B](#), [C](#), [D](#) and [E](#))
5. Solicitation by suppliers on University property to students and University employees other than for official University business is prohibited unless authorized by the Vice President for Administrative Services or designee.

D. Requirements

1. A purchase order may not be processed unless the organization unit verifies that 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 [R3-100E](#))

2. Pre-payments to suppliers for supplies or services have restrictions as established by the Utah Procurement Code and University procedure. (see Procedure [P3-100A](#))
3. Donations to the University 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 donation 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. Donations shall not influence or obligate the University in any purchasing decisions unless the donation will fund the full cost of the supply, service or construction.
4. Samples provided by suppliers, where permitted by University Regulation, for review or testing that are not returned to the supplier become University property.
5. Consistent with the Utah Code, it is unlawful for certain procurement participants and those involved in administration of a procurement contract to accept or receive gifts or gratuities, including money, admission to an event, meals, lodging, travel, among other items for the person's own use or benefit or the use or benefit of family members when the gift or gratuity is provided by a party interested in the sale of a procurement item to the University.
6. The Purchasing Department shall develop University Rules, Procedures, or Guidelines for the solicitation of Invitation for Bids, Request for Proposals or other procurement processes consistent with the provisions of the Utah Procurement Code. (see Rule [R3-100B](#))

E. Emergency Procurement

1. When an emergency exists as determined by the Director of Purchasing or designee, authorization may be given to make emergency procurements that exceed the single procurement threshold without use of a competitive

procurement process, such as bidding or RFP. (see Rule [R3-100D](#)) Such emergency procurements may be made by any reasonable means with any available specifications.

2. The Director of Purchasing or designee shall make a written determination of the existence of the emergency after reviewing supporting documentation stating the basis thereof, together with a written statement of justification for the selection of the particular supplier which shall be placed in the contract file.

F. Absence of University Procurement Regulation

In the absence of a University procurement Regulation, the Director of Purchasing may, but is not required to, follow a State of Utah procurement rule

G. Commitments

1. The University is committed to locating and encouraging small, socially/economically disadvantaged and women-owned and veteran owned businesses to become suppliers to the University on a continuing basis, subject to applicable legal requirements and limitations. University commitment to affirmative action extends to all aspects of its affairs, including the procurement function.
2. The Purchasing Department, in cooperation with all University organization units, supports Environmentally Preferred Purchasing (EPP) practices and encourages the purchase of supplies and services that effectively minimize negative environmental impacts and supports sustainability, subject to University Regulations and federal laws. The University is committed to sustainable behavior in its procurement practices.

IV. Rules, Procedures, Guidelines, Forms and other Related Resources

A. Rules

[R3-100B](#), Solicitation of Bids, Proposals and the Award of Procurement Contracts

[R3-100C](#), Requisition Use

[R3-100D](#), Delegated Small Purchase Authority

[R3-100E](#), Restricted Purchases and Special Purchasing

B. Procedures

[P3-100A](#), Vendor Prepayments, February, 8, 2011

[P3-100B](#), Conducting Business with Excluded Vendors, August, 18, 2016

C. Guidelines *[reserved]*

D. Forms *[reserved]*

E. Other related resource materials

[Buying & Payment Guide](#)

V. References

Board of Regents Policy [R571](#)

Utah Procurement Code, 1953 Utah Code Annotated, sections 63-6a-101 et seq.

[Policy 3-003](#), Authorizations and Approvals Required for Financial Transactions

VI. Contacts

Acting as the Policy Owner, the [Office of the Director of Procurement & Contracting Services](#) is responsible for answering questions and providing information regarding the application of this policy. Acting as the Policy Officer, the [Office of the Vice President for Administrative Services](#) is responsible for representing the University's interests in enforcing this policy and authorizing any allowable exceptions.

VII. History

Revision 9: Approved by the Board of Trustees October 8, 2013

Revision 8: Approved by the Board of Trustees April 12, 2011 to accept content relocated from Policy 4-005, see Executive Summary.

Added Definition for "Non-standard furnishings" to Section II.V., February 8, 2011

Revision 7; Editorially Revised February 19, 2002

OUTDATED