

University Rule 3-100E: Restricted Purchases and Special Procurement

I. Purpose and Scope

To implement Policy 3-100 and outline Rules, including prohibitions, special approvals, limitations, and restrictions, governing the purchasing and control of specific categories of supplies and services. This Rule is binding for all University colleges, departments, and units, including University Hospitals & Clinics.

II. Definitions

See Policy 3-100, University Procurement

III. Rule

A. Prohibited Procurements

1. The use of University funds to procure supplies or services for personal use is prohibited. This prohibition does not include employee recognitions which are outlined in Rule R3-011A.
2. Alcoholic beverages may not be acquired with state appropriated funds.
3. Donations to charitable, scientific or educational organizations are only permissible if: 1) the organization has a 501c(3) status with the Internal Revenue Service or is an equivalent nonprofit organization; 2) the mission of the organization is consistent with that of the University; 3) the money so donated is from a permitted source and not from state, federal or other restricted funds; and 4) is no more than \$1,000. Exceptions from the above guidelines require the signed written approval of the cognizant Vice President or designee.

B. Procurements that Require Special Approvals

1. Organizational or association memberships paid from University funds may be procured only if necessary to meet program needs or to secure other benefits for the University, and must contribute to the University's mission. Memberships that include a charitable donation to associations or private organizations must meet the criteria of section III.A.3. above. Memberships may not be purchased on grants or contracts unless allowed by the award. New memberships must be approved by the cognizant vice president, dean, or director, or in the case of University of Utah Hospital & Clinics personnel, the hospital administrator.
2. Requisitions for nonstandard furnishings, office equipment, and accessories require the authorizing signature of the cognizant Vice President, or of the Vice President for Administrative Services or his/her designee.
3. Ownership, procurement, maintenance, licensing and disposal of vehicles shall be administratively managed by Fleet Services. (see [Policy 3-215](#))
4. Printing and Mailing Equipment
 - a. Organizational units other than Print & Mail Services are not authorized to procure, lease, or operate high speed printing, or mailing equipment without prior written approval of the cognizant dean or director and the Vice President for Administrative Services or his/her designee.
 - b. Such authorization will normally be granted only if:
 - i. the proposed equipment can be justified by significantly lower overall organizational unit operating costs than would be incurred if the printing/copying/ mailing were done by Print & Mail Services;
 - ii. there is a reasonable expectation that the identified needs and cost justification will continue over the time period used to amortize the cost of the proposed equipment; and

- iii. the loss of volume to Print & Mail Services resulting from organizational unit operation of related equipment will not jeopardize the ability of Print & Mail Services to provide services to other organizational units on a self-supporting basis.
 - iv. In justifying cost-effectiveness, organizational unit operating costs shall include compensation and fringe benefits of employees involved in providing the service, amortization and maintenance costs of equipment, costs of all supplies and materials used, cost of space to house equipment, and a pro rata share of the general and administrative expense of the organizational unit.
- c. Printing, high speed printers/copiers, digital press, and mailing equipment procured and operated by University organizational units other than Print & Mail Services ordinarily shall not be used to perform work for other organizational units, because Print & Mail Services has been established for that purpose. Any exceptions, other than minor work aggregating less than \$100 in monthly revenue, must have prior written approval of the cognizant dean(s) or director(s), and the Vice President for Administrative Services.
- d. Non-University owned or operated printing, copying, and mailing services may be used by organizational units when justified by demonstrated lower costs or by service requirements that cannot be met by Print & Mail Services. Such services must be obtained in accordance with applicable University procurement Regulations.
- e. Non-University entities are not authorized to establish printing, duplicating, or mailing facilities or services on campus without the prior written approval of the Vice President for Administrative Services.
5. All construction work (as defined in [Policy 3-100](#)) shall be administered as provided for in [Policy 3-205](#). Other alterations and repairs to existing facilities

must have the prior approval of the University organization responsible for maintaining that facility such as Facilities Operations, Hospital Facilities and Engineering, and the Facilities group within Housing and Residential Education. These alterations and repairs include, but are not limited to changes, connections or additions in utility systems, air conditioning, heating, electrical, plumbing, air, gas, etc. This also includes interior decorating, painting, floor coverings, window coverings and systems furnishings. Major equipment installations requiring utilities connections or other requirements, such as cooling, etc., need prior approval from Facilities Management. When applicable, work described in this paragraph will also involve review and approval by the University Building Official (the authority having jurisdiction for enforcing building codes).

6. Refrigerators and freezers (-20°C) may be procured or installed only with the authorizing signature of the Vice President for Administrative Services or his/her designee or the cognizant Vice President. Exceptions may be granted by the Cognizant Vice President.
7. Intra-departmental radio communications and licensing require the approval of Facilities Operations or the Vice President for Administrative Services or his/her designee. (see [Policy 3-235](#))
8. The Health Insurance Portability and Accountability Act of 1996 (HIPAA) requires that security of protected health information of individuals comply with applicable federal and state confidentiality and security laws. Contact the University Information and Security Office at <http://privacy.utah.edu/contact.php> or <http://www.secureit.utah.edu/ispo/index.html> if any potential purchase transactions with suppliers (including delegated small purchases) have the potential to impact the security of private health information.

C. Procurement Funded by Research Grants and Contracts

1. Requisitions calling for expenditures to be funded by grants or contracts for capital equipment or remodeling of facilities are subject to review by Grants & Contract Accounting to ensure only allowable procurement based upon the terms of the grant or contract.
2. Requisitions calling for capital equipment not specifically authorized by the grant or contract will not be processed until approval is obtained from the granting agency.
3. A requisition for capital equipment will not be processed if the requisition is dated 30 days or less prior to the project ending date, unless the requisition is accompanied by documentation, approved by the Vice President for Research, or his/her designee, demonstrating that procurement of such equipment is necessary to achieve the objectives of the contract or grant.
4. A requisition for either supplies or equipment will not be processed if it appears probable that the requisitioned items will not be received by the University within a reasonable period of time prior to the project ending date.
5. All federally funded procurements must comply with applicable federal Purchasing Procedures, regulations, terms and conditions. Purchases based on single price quotations must meet price reasonableness/cost analysis criteria prior to award. Questions regarding these regulations should be directed to the Purchasing Department.
6. Memberships in organizations and associations as defined in Section III.B.1. may not be purchased with grant and contract funds unless allowed by the award.

D. Procurements Subject to Special Limitations, Restrictions or Procedures

1. Narcotics and Controlled Substances

- a. Requisitions for narcotics and controlled substances must be accompanied by a properly completed Drug Enforcement Administration order form (DEA form 222C).
- b. Individuals using form DEA 222C must be registered with the State of Utah Department of Business Regulations and with the U.S. Drug Enforcement Administration.
- c. Further information regarding the purchase of controlled substances may be obtained from the Purchasing Department.

2. Tax-Free Alcohol

- a. Procurement of tax-free alcohol must be requested from the Purchasing Department on a Campus Order and the organizational unit is responsible to complete the Tax-Free Alcohol Report form (available from the Purchasing Department).
- b. The Tax-Free Alcohol Report must be kept current by each organizational unit using tax-free alcohol. With each usage of tax-free alcohol, the quantity issued, user's name, and balance on hand shall be indicated on the Tax-Free Alcohol Report to bring the record into balance with existing stock. As the existing supply of alcohol reaches the appropriate reorder point, additional alcohol may be reordered by sending the completed Tax-Free Alcohol Report to Purchasing.
- c. The University permit to use tax-free alcohol currently limits such use to the following purposes:
 - i. preserving specimens
 - ii. experimental, research, and laboratory work for scientific purposes
 - iii. the preparation of laboratory and medical solutions

- iv. hospital chemical use
 - v. medical treatment of patients
 - vi. compounding medicines for use of patients in the hospital
 - d. The use of tax-free alcohol for purposes other than those defined in paragraph (c) is prohibited, and violation is subject to federal law. Organizational units requiring tax-free alcohol for use other than authorized above should contact the Purchasing Department.
 - e. Organizational unit alcohol records and alcohol on hand are subject to federal audit by the Internal Revenue Service.
3. Items Imported from a Foreign Country
- a. Import items must be procured through a standard University requisition form as all matters pertaining to customs are handled by the Purchasing Department. All documents concerning foreign orders (customs declarations, customs invoices, shipping papers, shipping notices, etc.) must be forwarded to the Purchasing Department. Limited import purchases below \$1,000 such as conference registrations and publications that do not require customs clearance may be purchased on a PCard. (see [Rule 3-100D](#))
 - b. Most foreign purchases are subject to customs clearance and possible duty charges. The University has engaged the services of a professional customs broker to provide assistance in clearing foreign shipments. All correspondence or contact with this broker must be made through the Purchasing Department.
 - c. Organizational units requisitioning import items should include estimated customs duties and freight charges in estimating the cost of the items requisitioned. Exact customs duties on import items cannot be determined until the items have cleared customs. Information relating to

customs and procedures applicable to customs clearance may be obtained from the Purchasing Department.

- d. Some research grants and contracts prohibit the purchase of import items. Before submitting a requisition for imported items, the organizational unit must determine that no such restriction is found in any grant or contract to which the cost of procurement is to be charged in whole or in part.

4. Procurement of Export Restricted Items

- a. Export regulations apply to the export of items to foreign countries AND to access to controlled items by foreign nationals in the United States (“deemed export”).
- b. Organizational units procuring items subject to export control restrictions are responsible for recognizing the item as subject to export control and for identifying the applicable United States Munitions List (USML) classifications or Export Control Classification Number (ECCN). Selling entities may be able to provide assistance in identifying the USML classification or ECCN for their product(s).
- c. Organizational units procuring items subject to export control restrictions must obtain approval from the Vice President of Research prior to the procurement.
- d. Organizational units procuring items subject to export control restrictions must implement a Technology Control Plan to ensure compliance with export control regulations.
- e. Assistance with the requirements of this section can be obtained from the University’s Export Control Officer.

5. Radioactive Materials and Radiation-Generating Equipment

- a. Radioactive material and radiation-generating equipment must be requisitioned with the standard University requisition form.
 - b. Requisitions for these purchases require prior approval from the Director of Radiological Health. A request for such approval will be initiated by the organizational unit requesting the materials or equipment. The Purchasing Department will confirm approval from Radiological Health's Authorized Users List.
 - c. Whenever required, applications for licenses or other approval forms from the Department of Energy (DOE) will be initiated and processed by the Director of Radiological Health.
 - d. Questions regarding licensing requirements relating to radioactive materials should be directed to the Director of Radiological Health.
6. Research Animals, Birds, Fish and Amphibians
- a. Requisitions for the purchase of these research subjects require the approval of the Office of Comparative Medicine. The requisition and Animal Request Form shall be sent to Comparative Medicine for approval. The Animal Request Form can be obtained from the Office of Comparative Medicine.
 - b. Select species of research birds and animals require written certification of disease-free status on import into the State of Utah. The Director of the Office of Comparative Medicine is responsible to perform this inspection and furnish such certification to the State of Utah Division of Wildlife Resources.
 - c. Questions regarding this procedure should be directed to the Office of Comparative Medicine.
7. Compressed Gases

- a. Bottled gases are restricted due to the compressed nature of the cylinder. This restriction covers small disposable as well as large metal cylinders.
- b. Common gases and gas mixtures excluding propane must be ordered through General Stores on a campus order form. All other gases must be requisitioned with the standard University requisition form so cylinder demurrage and delivery can be arranged.

8. Recruitment Advertising

- a. Faculty Positions: Requests for procurement of advertising for recruitment of paid faculty positions must be requisitioned with the standard university requisition form and include the job posting number. Faculty recruitment requisitions require a Vice President's approval. Questions regarding this process should be directed to the Purchasing Department.
- b. Staff Positions:
 - i. Requests for on-line recruitment advertising of staff positions should be sent to the Human Resources Department and questions directed to them.
 - ii. Requests for all other advertising for recruitment of staff positions must be requisitioned with a standard University requisition form and a purchase order will be issued by the Purchasing Department. Staff position requisitions should reference the job posting number.

E. Items Restricted by University Contract

1. Product's or Merchandise with University of Utah Trademark

- a. All purchases must be made from an approved or licensed supplier. A current list of suppliers is maintained by Auxiliary Services, Trademarks & Licenses Office. (See www.trademarks.utah.edu)

- b. All artwork must be reviewed and approved by the Trademarks & Licensing Office.

F. Procurement of Government Property

1. Surplus University Property

- a. Surplus University property is available through the University Surplus and Salvage Department. (See [Policy 3-040](#) and [3-041](#))
- b. Information regarding the availability of surplus property may be obtained from the [Surplus and Salvage Department](#).

2. Excess Federal Property

Excess federal government property may be available at little or no cost for use on federal government contracts or grants. Information regarding such items may be obtained from the Property Accounting Department.

G. Procurement of Vending Services

1. Student Affairs Contract Administration is responsible to provide or contract for all vending services and equipment to employees, students and visitors on campus and at other University controlled buildings, except as outlined below:
 - a. The Director of the A. Ray Olpin University Union is responsible for video and other amusement machines, and dispensers of personal hygiene products located in the Olpin Union.
 - b. The Director of Residential Living is responsible for coin or credit card operated washers and dryers, stamp machines, video and other amusement machines, and dispensers of personal hygiene products located in the residence halls.

- c. The Director of the University Student Apartments is responsible for coin or credit card operated washers and dryers and dispensers of personal hygiene products located in the University Student Apartments.
- d. The Director of Facility Operations is responsible for dispensers of personal hygiene products located in all buildings on campus, except those referred to in paragraphs a., b., and c. above.
- e. Without prior written approval from Student Affairs Contract Administration and the cognizant Dean/Vice President, organizational units other than Student Affairs Contract Administration and those specifically exempted in this Rule are not authorized to:
 - i. Purchase, lease or operate vending machines.
 - ii. Negotiate or contract with non-university vending operators for vending services.
- f. Student Affairs Contract Administration may, under unusual and special circumstances, delegate responsibility for a vending machine to an organizational unit. A written agreement must outline the specific responsibilities of each party. Cash, sales and inventory must be accounted for in accordance with all applicable University Regulations.

H. Requests for Vending Services

Requests for vending services, except those referred to in paragraph G., shall be submitted to the manager of Student Affairs Contract Administration for review and response.

I. New Locations and Remodeling of Existing Locations - Vending Requirements

- 1. For planned new construction projects or remodeling, the Director of Campus Planning in cooperation with Student Affairs Contract Administration, Safety

Services and Facility Operations shall evaluate the location, size, safety and ease of maintenance of the planned space for vending service.

2. Vending machines shall be installed in compliance with all applicable building, fire, safety, and other codes and regulations.

J. Maintenance and Repair of Vending Machines

Student Affairs Contract Administration shall be responsible for all maintenance and repair of vending machines, except those referred to in paragraphs G. 1.

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

A. Rules

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

B. Procedure *[reserved]*

C. Guidelines *[reserved]*

D. Forms

Animal Request Form

DEA Form 222

Tax-Free Alcohol Report Form

E. Other related resource materials *[reserved]*

V. References

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

[Policy 3-031](#), Recruitment and Entertainment Expense Reimbursement Policy

[Policy 3-040](#), Property Accounting

[Policy 3-041](#), Accountability for Noncapital Equipment

[Policy 3-100](#), University Purchasing

[Policy 3-215](#), University Motor Vehicles

[Policy 3-235](#), Campus Intradepartmental Radio Communications and Licensing

VI. Contacts

Rule Owner: [Director of Procurement & Contracting Services](#)

VII. History

Approved Academic Senate Executive Committee; September 17, 2013

Approved Academic Senate; October 7, 2013