

Utah Tech University Policy

221: University Procurement



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I. Purpose

- 1.1 The purpose of this policy is to ensure that Utah Tech University (“the University”) is provided with the Best Value as it pertains to the procurement of goods and services and that any University funds spent on the procurement of goods and services is done in an ethical, practical, and transparent manner.

II. Scope

- 2.1 This policy applies to all University employees, both full-time and part-time, as well as official University Volunteers (as defined by University Policy 301), or any individual or group that is involved with the procurement of goods or services for the University.

III. Definitions

- 3.1 **Advance Payments (Prepayment):** Payments made prior to the actual receipt and delivery of goods or services.
- 3.2 **Best Value:** The most advantageous combination of cost, quality, and sustainability.
- 3.3 **Business Meal:** A meal that is for business-related purposes.
- 3.4 **Construction Services:** The process of building, renovating, altering, improving, repairing or demolishing any University structure or building, major developmental work, or landscaping of University real property. It does not include services and supplies for the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.
- 3.5 **Contract:** An agreement between the University and another party that

includes specific terms and conditions or an “Official Document” as defined by section 3.4 of University Policy 149.

- 3.6 **Design Professional Services:** Services provided by architects, engineers, land surveyors, and other similar professionals.
- 3.7 **Dollar Threshold(s):** Dollar amounts and ranges in which specific procurement policies apply to the solicitation process.
 - 3.7.1 **Large Dollar Threshold:** The minimum dollar amount before a Formal Solicitation is required before selecting a vendor.
 - 3.7.2 **Small Dollar Threshold:** The maximum dollar amount before either a Formal or Informal Solicitation is required before selecting a vendor.
- 3.8 **Enterprise Software:** Software used to satisfy the needs of the University rather than an individual or single department.
- 3.9 **Entertainment:** Any activity for amusement or pleasure.
- 3.10 **Goods:** Items considered to be tangible, perishable, or have the ability to be transferred from one individual to another. This does not include real property.
- 3.11 **Noncompliant Purchase:** A procurement transaction circumventing established procurement policies and procedures, regardless of intent.
- 3.12 **Procurement:** The process of identifying, evaluating, and selecting qualified vendors who provide the Best Value to the needs of the University.
- 3.13 **Professional Services:** Labor, effort or work that requires specialized knowledge, expertise, and discretion.
- 3.14 **Purchase Order (PO):** A document created by Purchasing Services that defines the specifics of any sale or transfer of funds from the University to a vendor and ensures to the vendor that the order has been approved for payment once all goods have been delivered or all services have been completed.
- 3.15 **Real Property:** Land and its permanently affixed buildings or structures and related fixtures.
- 3.16 **Requisition:** An internal form to ensure budgeted funds are available, applicable internal pre-approvals have been completed, and all procurement policies have been adhered to before an order is placed with

a vendor. It is a request to purchase goods or services.

- 3.17 **Services:** The furnishing of labor, time, or effort by a supplier that does not involve the delivery of a specific end product. It does not include labor, effort or work provided under employment agreements or collective bargaining agreements.
- 3.18 **Solicitation:** The process of discovering, evaluating, and selecting the Best Value vendor(s) to supply goods or services.
 - 3.18.1 **Formal Solicitation:** A publicly posted solicitation in which any qualified vendor may submit a response to an invitation to provide information requested by the University.
 - 3.18.2 **Informal Solicitation:** A non-public solicitation in which specific vendors are directly invited to provide information requested by the University.
- 3.19 **State Contract:** Goods or services from a vendor who has been awarded a contract from the State of Utah Division of Purchasing to provide those goods or services.
- 3.20 **Utility Services:** Services such as power, water, internet, natural gas, waste removal, and any other like services.
- 3.21 **Vendor:** A source to purchase goods or services who has a valid Employer Identification Number (EIN), as stated on their IRS W9 form.

IV. Policy

- 4.1 The University President has designated the Director of Purchasing Services as the Chief Procurement Officer for the University.
- 4.2 Purchasing Services is the centralized office tasked, under the direction of the Chief Procurement Officer, to effectively administer all aspects of University procurement by:
 - 4.2.1 Directing and overseeing the procurement of all goods and services required by the University and its departments.
 - 4.2.2 Initiating, conducting and concluding solicitations and negotiations for the purchase of goods and services for the University.
 - 4.2.3 Establishing procurement policy, procedures, and purchasing resources.

- 4.2.4 Obligating the University for the purchase of goods and services.
- 4.2.5 Providing the necessary assistance to acquire such goods and services on a timely and economical basis.
- 4.2.6 Ensuring compliance with all applicable state and federal laws and University policies, procedures, and guidelines during the procurement process.
- 4.2.7 Providing assistance, consultation, and advice regarding all procurement needs of the University.
- 4.2.8 Setting large-dollar and small-dollar threshold values (with University Council approval) and establishing guidelines to govern purchases based on these thresholds.
- 4.3 The Chief Procurement Officer may delegate in writing a portion or all procurement authority to departments when deemed appropriate.
 - 4.3.1 Departments that receive this delegation must comply with applicable University policies and procedures.
- 4.4 The Chief Procurement Officer may waive any internal procurement policy by written approval specific to an individual purchase. Approval shall contain documented reasoning for the approval to waive a policy.
- 4.5 All goods and services purchased by the University shall be procured in compliance with Utah State Procurement Code, as well as The Utah Board of Higher Education (UBHE) Purchasing Policy and University policies, regardless of the funding source.
- 4.6 Purchases that involve other departments or that have additional considerations must be pre-approved by applicable department representatives:
 - 4.6.1 Any purchase related to information technology (IT) must be pre-approved by the IT Services Department to ensure the purchase is compatible with the University's existing network/systems, meets current standards, meets any applicable data security requirements, and is properly licensed.
 - 4.6.1.1 This includes all software and cloud-hosted services, including both initial purchases and renewals, whether one-time or subscription based.
 - 4.6.1.2 This includes equipment and/or hardware that may store or

process data (e.g., computers, laptops, tablets, mobile devices, external hard drives, printers, etc.) any audio/visual component that provides conference room functionality, any TV/monitor to be used for digital signage, or any device that will require installation and/or ongoing support from IT Services.

- 4.6.1.3 Accessories, such as charging or power cables, screen protectors, mice, keyboards, and computer speakers are excluded and do not require IT Services pre-approval.
- 4.6.2 Any purchase that constitutes an Official Document pursuant to University Policy 149 must be pre-approved by the Office of General Counsel (OGC) and signed by the applicable authorized signer as specified in University Policy 149/149a: Signature Authority.
- 4.6.3 Any purchase using University branding or marketing of any University approved logos or artwork must be pre-approved by the University Marketing and Communication Department (UMAC).
- 4.6.4 Any vehicle purchase must be pre-approved by Fleet Services.
 - 4.6.4.1 Any vehicles purchased new and are not a replacement of an existing vehicle must be pre-approved by the Budget Office. (i.e., adding to the fleet)
- 4.6.5 Any purchase with funds received from an external organization which, by contract, requires compliance with additional procurement policies, must also be approved by the Office of Special Programs in accordance with University Policy 662: Sponsored Programs.
- 4.6.6 Any purchase of furniture or items related to a Space Modification, as defined by University Policy 442, must be pre-approved by facilities and the respective building's space committee.
 - 4.6.6.1 Purchases that involve remodeling must be pre-approved by the University's Space Committee.
- 4.6.7 Any purchase that is considered a gift, award, or prize above the IRS allowable limit, as designated by the Assistant Vice President of Auxiliary and Business Services, must be pre-approved by Business Services.
 - 4.6.7.1 Gifts, awards, or prizes to any individual must be disclosed to Business Services in order to track the cumulative value any

individual has received in a calendar year.

4.6.7.2 Gifts or Awards for the purpose of recognition must abide by University Policy 144: University Awards, Recognition and Gifts.

4.6.8 It is the responsibility of the individual initiating a purchase to ensure that any required pre-approvals are obtained prior to the purchase being finalized.

4.7 Any potential conflicts of interest must be disclosed to their immediate supervisor, in writing, and must receive approval from the Conflict of Interest Committee prior to engaging in any potentially prohibited activities in accordance with University Policy 157: Personal Conduct/Conflict of Interest.

4.8 The purchase of gift cards or any vouchers with a specified dollar amount is prohibited.

4.9 The purchase of goods from an individual (non-vendor), including University faculty or staff, is prohibited unless the item(s) are not available from any known vendor and the individual seller does not have any conflicts of interest with the University.

4.10 The purchase of services from an individual (non-vendor) is considered a contracted service, (i.e., a purchase from an independent contractor). Purchases from independent contractors over the Small-Dollar Threshold must still comply with the applicable solicitation requirements.

4.10.1 Services from independent contractors require additional information to be reviewed by Payroll before payment can be processed.

4.11 Purchasing Services staff members are the only authorized personnel who can place orders on behalf of the University for the purchase of goods or services.

4.11.1 The use of a University-issued purchase card (PCard) by its cardholder is approved by the Director of Purchasing to place orders within the scope of University Policy 222: Purchasing Cards.

4.11.2 Individuals who initiate unauthorized orders or make a Noncompliant Purchase that violates procurement policy may become personally liable for the payment to the vendor if the order cannot be rescinded. They may also be subject to disciplinary action in accordance with University Policy 372, including termination,

depending on the severity of the violation.

- 4.12 Purchases that require advance payment can have a significant financial risk to the University. Advance payments are discouraged and require the approval of the Director of Purchasing and the Deputy Controller or Assistant Vice President of Auxiliary and Business Services.

4.13 Business Meals

- 4.13.1 Business Meals must contain documentation describing the business-related purpose and a record of each individual who ate the meal.

- 4.13.1.1 When a Business Meal is for a large group and it is impractical to document the individual names, details about the group as a whole are acceptable.

- 4.13.2 Business meals that include the spouse or significant other of any University employee must be pre-approved in writing by the University President.

- 4.13.3 University funds must not be used to purchase alcoholic beverages.

- 4.13.4 The total cost of a Business Meal, which includes all tips and fees, must not exceed the maximum allowable amount per person as designated by Business Services unless otherwise approved by the employee's respective vice president or University President.

4.14 Entertainment

- 4.14.1 Entertainment must contain documentation describing the business-related purpose and a record of each individual who attended.

- 4.14.2 Entertainment activities and outings must be approved by the employee's respective vice president or University President.

- 4.14.2.1 Entertainment that includes the spouse or significant other of any University employee must be pre-approved in writing by the University President.

- 4.14.3 When Entertainment includes food as a Business Meal, the cost of the meal(s) should be stated separately from the cost of the Entertainment on any reconciliation documents.

4.15 Tipping

4.15.1 When it is generally accepted to tip for a service, tips must not exceed 20% of the total cost of the service. The total cost includes all fees associated with the service.

4.16 All purchases require a solicitation unless otherwise exempt from the solicitation process.

4.16.1 Purchases that are exempt from a solicitation due to circumstances in which a solicitation would be impractical or not in the best interest of the University include:

4.16.1.1 Any purchase estimated to be less than the small dollar threshold for that category of purchase (reference “The Dollar Thresholds” guide on the Purchasing Services website).

4.16.1.2 State of Utah Cooperative Contract (“State Contract”) Purchases:

4.16.1.2.1 When goods or services that meet the specifications of the University’s needs are available on State Contract, the University must purchase those goods or services from the vendor(s) on State Contract.

4.16.1.3 Sole Source Purchases

4.16.1.3.1 Purchases in which there is only one practical source for the goods or services. Sole source purchases may include situations in which multiple vendors are available, but due to transitional costs, compatibility, and/or time constraints it is unreasonable for the University to conduct a solicitation.

4.16.1.3.2 All sole source purchases must contain documentation as to why there is only one source available and what attempts have been made to locate alternate vendors. This documentation must be approved at a Director level (Staff) or Dean (faculty), or above, and is submitted with the requisition to Purchasing Services.

4.16.1.3.3 Sole source justification does not include vendor location or proximity.

4.16.1.4 Emergency Procurement Situations:

4.16.1.4.1 Situations that contain significant risk to the University or any individual(s) and there is not adequate time to

conduct a solicitation. These purchases shall still be made with as much competition as reasonably possible.

4.16.1.4.2 A statement describing the emergency, detailing what risks exist and why a standard solicitation cannot be conducted, must accompany the requisition.

4.16.1.5 Other circumstances where the standard procurement process is impractical and is exempt from a competitive solicitation:

4.16.1.5.1 Items for resale

4.16.1.5.2 Utility Services

4.16.1.5.3 Instructional or curriculum related materials

4.16.1.5.4 Physical or electronic resources for the University Library (e.g., books, magazines, media, subscriptions to electronic resources, etc.)

4.16.1.5.5 Membership fees or dues for required associations, organizations, etc.

4.16.1.5.6 Professional development such as conferences, seminars, subscriptions, etc.

4.16.1.5.7 Venue/space rentals

4.16.1.5.8 Used Equipment

4.16.1.5.8.1 All used equipment purchases must be justified by a statement of reasons as to why the purchase is more advantageous to the University than purchasing new equipment, and must be approved by the Director of Purchasing.

4.16.1.5.9 Advertising

4.16.1.5.10 Athletic game guarantees

4.16.1.5.11 Entertainers (i.e., guest speakers, performers, etc.)

4.16.1.5.12 Broadcasting rights, television programming, and associated fees

- 4.16.1.5.13 Original works of art
- 4.16.1.5.14 Travel, such as airfare, lodging, and ground transportation
- 4.16.1.5.15 Food/restaurants for large group meals
- 4.16.1.5.16 Goods or services from other government agencies or public institutions
- 4.16.1.5.17 Sponsorships for organizations or events that promote the University
- 4.16.1.5.18 Postage and direct mail

V. References

- 5.1 Dollar Thresholds Guide: Utah Tech Homepage > Administrative Affairs > Business Services > Purchasing > Trainings and Help Guides > Dollar Thresholds Guide
- 5.2 University Policy 144: University Awards, Recognition, and Gifts
- 5.3 University Policy 149: Signature Authority
- 5.4 University Policy 149a: Signature Authority for Official Documents
- 5.5 University Policy 157: Personal Conduct/Conflict of Interest
- 5.6 University Policy 222: Purchasing Cards
- 5.7 University Policy 301: Personnel Definitions and Classifications
- 5.8 University Policy 372: Corrective and Disciplinary Action
- 5.9 University Policy 442: University Facilities Space Committee, Facilities Renovations, and Space Allocations
- 5.10 University Policy 662: Sponsored Programs
- 5.11 Utah Code, Title 67, Chapter 16 Utah Public Officers' and Employees' Ethics Act.
- 5.12 Utah Procurement Code, Utah Code Annotated, Sections 63G-6a
- 5.13 Utah Board of Higher Education Policy, R571 Purchasing Authority

VI. Procedures

6.1 The Standard Procurement Process

6.1.1 The standard procurement process includes identifying the University's needs, having an available budget, acquiring applicable internal approvals, evaluating, and selecting a qualified vendor.

6.1.2 A completed requisition, along with order details (a quote) from the vendor, is sent to Purchasing Services by the requestor.

6.1.2.1 Requisitions are not required when:

6.1.2.1.1 Purchasing from other University Departments.

6.1.2.1.2 Using a PCard.

6.1.2.1.3 Purchasing authority has been delegated in writing to a department by the Director of Purchasing.

6.1.2.1.4 Payroll expenses.

6.1.3 Purchasing Services will review the requisition and create a Purchase Order (PO) and send the PO to both the vendor and the requestor. This is considered "placing the order."

6.1.3.1 When a requisition is not fully completed or is missing applicable approvals, Purchasing Services will send the requisition back to the requestor. It is the responsibility of the requestor to correct the requisition and send all associated paperwork back to Purchasing Services.

6.1.4 Invoice(s) should reference a valid PO number issued by Purchasing Services before any payment is processed by Accounts Payable.

6.2 Solicitations are used to identify, evaluate, and select a qualified vendor using the Best Value method of Procurement. The type of goods or services and the estimated total dollar amount of the purchase determines if a solicitation is required and if the solicitation is required to be informal or formal. Reference the "Dollar Thresholds Guide" located on the Purchasing Services Website to understand when solicitations are required.

6.2.1 Informal Solicitations

6.2.1.1 When possible, Purchasing Services Staff should conduct all

informal solicitations.

6.2.1.2 Non-Purchasing Services Staff may conduct informal solicitations under the direction and approval of the Director of Purchasing.

6.2.1.3 A quote is requested directly from pre-selected vendors by providing them with a statement of needs, along with all applicable minimum specifications and a deadline.

6.2.1.3.1 Vendors must receive a minimum of three (3) business days to respond.

6.2.1.3.2 Online quotes from vendors are considered valid quotes as they pertain to evaluating the best value.

6.2.1.3.3 Quotes may not be verbal.

6.2.1.3.4 Subjective criteria (not cost alone) may be used to select a vendor as long as that criterion is disclosed with each vendor submitting a quote.

6.2.1.4 When the selected vendor is not the lowest cost, a statement of reasons must be provided with the requisition to illustrate a Best Value selection has been made.

6.2.1.5 Quotes from at least three (3) separate vendors must be obtained and evaluated before selecting a vendor, excluding Construction Services. Construction Services require quotes from at least two (2) separate vendors.

6.2.2 Formal Solicitations

6.2.2.1 Purchasing Services Staff must conduct all Formal Solicitations for the University unless it's a major construction project, in which case, the Utah Division of Facilities Construction and Management (DFCM) may conduct the formal solicitation.

6.2.2.2 Once it is determined a formal solicitation is required and until a vendor is officially selected, communication of any form with any possible vendors is prohibited without the consent of Purchasing Services.

6.2.2.3 Formal solicitations are required to be posted publicly and any qualified vendor shall have an opportunity to submit a

quote or proposal.

VII. Addenda—N/A

Policy Owner: Vice President of Administrative Affairs

Policy Steward: Assistant Vice President of Auxiliary and Business Services

History

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