

Dixie State University Policy

221 University Procurement



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I. Purpose

- 1.1 As a public institution of higher education, Dixie State University strives to be accountable in the use of public funds, to follow ethical practices, and to maintain impartiality and professionalism in its procurement processes. This policy specifies the University's general procurement policies and responsibilities that will ensure compliance with Board of Regents policy, state code, and federal law.

II. Scope

- 2.1 This policy applies to all University representatives including trustees, officers, faculty, staff, students and other persons involved in the conduct of University business.
- 2.2 This policy applies to the acquisition of all goods, services and construction made by the University regardless of the funding source or acquisition method.

III. Definitions

- 3.1 **Advance Payments:** Payments made prior to the actual receipt and delivery of goods, services, or construction.
- 3.2 **Construction:** 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.
- 3.3 **Contract:** Any University agreement for the procurement or disposal of goods,

services, or construction.

- 3.4 ***Design Professional Services:*** Services provided by architects, engineers and land surveyors as defined in the Utah procurement code.
- 3.5 ***Enterprise Software:*** Software used to satisfy the needs of the University rather than an individual or single department. Software used by two or more departments of the University may be considered enterprise software.
- 3.6 ***Goods:*** Anything purchased other than services, construction, or real property.
- 3.7 ***Invitation for Quotations:*** An informal procurement method for soliciting quotes from suppliers interested in supplying requested goods, services or construction to the University. Used for solicitations between the small-dollar purchase threshold and the large-dollar purchase threshold.
- 3.8 ***Invitation for Bids:*** A formal procurement method for soliciting bids from suppliers interested in providing requested goods or services to the University that exceed the large-dollar purchase threshold.
- 3.9 ***Large-Dollar Purchase Threshold:*** The minimum amount at which a purchase requires a formal, advertised solicitation.
- 3.10 ***Noncompliant purchase:*** A procurement transaction circumventing established procurement policies and procedures.
- 3.11 ***Procurement:*** Buying, purchasing, renting, leasing or otherwise acquiring any goods, services, or construction. It also includes all functions that pertain to the obtaining of any goods, services, or construction, including description of requirements, selection process, solicitation of sources, preparation for soliciting sources, award of a contract, and all phases of contract administration.
- 3.12 ***Professional Services and Consulting:*** Labor, effort or work that requires an elevated degree of specialized knowledge and discretion.
- 3.13 ***Purchase Order:*** A legal and binding written contractual document serving as a formal order for the goods, services or construction listed thereon and setting forth all applicable terms and conditions. Purchase orders are to be signed by the Director of Purchasing Services or a designee.
- 3.14 ***Real Property:*** Land and its permanently affixed buildings or structures and related fixtures.
- 3.15 ***Requisition:*** A form completed by a University department and used by

Purchasing Services to initiate a purchase order for the procurement of goods, services, or construction.

- 3.16 *Services*: The furnishing of labor, time, or effort by a supplier that does not involve the delivery of a specific end product, other than reports which are merely incidental to the required performance. It does not include labor, effort or work provided under employment agreements or collective bargaining agreements.
- 3.17 *Small-Dollar Purchase*: The procurement of goods or services for which the total cost is less than the small-dollar purchase threshold.
- 3.18 *Small-Dollar Purchase Threshold*: The amount over which competition must be sought.

IV. Policy

- 4.1 The University President has designated the Director of Purchasing Services as the Chief Procurement Officer for the University.
- 4.2 The Chief Procurement Officer establishes operating procedures consistent with state and federal requirements and other University policies to allow for an efficient and cost-effective purchasing process.
- 4.3 The University Purchasing Services Department is the centralized office tasked, under the direction of the Chief Procurement Officer, to effectively administer all aspects of University procurement by:
 - 4.3.1 Directing and overseeing the procurement of all goods, services and construction required by the University and its departments
 - 4.3.2 Initiating, conducting and concluding solicitations and negotiations for the purchase of goods, services, and construction for the University
 - 4.3.3 Establishing operating procedures and guidelines with which to locate and ensure adequate and continuing sources of goods, services, and construction, consistent with legal, budgetary, and delivery requirements of user departments
 - 4.3.4 Obligating the University for the purchase of goods, services, and construction
 - 4.3.5 Recommending changes in quality, quantity, or kind of material requisitioned and/or suggest appropriate alternatives

- 4.3.6 Selecting qualified suppliers
 - 4.3.7 Providing the necessary assistance to acquire such goods, services and construction on a timely and economical basis
 - 4.3.8 Ensuring compliance with all applicable state and federal laws and University policies, procedures, and guidelines during the procurement process
 - 4.3.9 Providing assistance, consultation, and advice regarding all procurement needs of the University
 - 4.3.10 Establishing guidelines to govern purchases under the large-dollar purchase threshold, including the use of invitation for quotations, in conformity with the Utah Procurement Code
 - 4.3.11 Setting large-dollar and small-dollar threshold values (with University Council approval) and establishing guidelines to govern purchases based on these thresholds
- 4.4 The Chief Procurement Officer may delegate a portion or all procurement authority to departments when deemed appropriate. Generally, this happens with auxiliary departments that purchase items for resale.
- 4.4.1 Departments that receive this delegation must comply with applicable University policies and procedures and use substantially similar sound business practices in their purchasing activities as those followed by Purchasing Services.
- 4.5 All goods, services and construction purchased by the University shall be procured in compliance with applicable statutes, rules, guidelines, policies, and procedures, regardless of the funding.
- 4.5.1 Enterprise software or other software requiring IT support, whether cloud-based or on premise, must be reviewed by Information Technology prior to purchase.
- 4.6 The purchase of goods, services, or construction from faculty or staff of the University shall be authorized only if (1) established University processes are followed in compliance with the Utah Public Officers' and Employees' Ethics Act and (2) documented evidence that the purchase price is fair and reasonable exists.
- 4.7 Unless specifically approved in writing by the Director of Purchasing Services, orders or commitments for procurement by faculty or staff members are not

binding on the University except when using purchasing cards or mini purchase orders.

- 4.8 Purchases over the small-dollar purchase threshold but under the large-dollar purchase threshold must have documentation that shows adequate competition is sought in accordance with Purchasing Services procedures.
- 4.9 Purchases over the large-dollar threshold are subject to a formal procurement process involving the use of Invitations for Bids or Requests for Proposals.
- 4.10 Under the Utah Procurement Code, it is illegal to divide, split, parcel or manipulate a procurement with the intent of making a larger purchase appear to qualify as a small-dollar purchase.
- 4.11 Purchasing Services may not make advance payments except in certain cases as deemed appropriate.
- 4.12 Noncompliant Purchases
 - 4.12.1 A noncompliant purchase may be rescinded or nullified by the Purchasing Services Department. Restocking fees may apply.
 - 4.12.2 Documentation detailing the facts that gave rise to the noncompliant purchase, accompanied by the associated invoice and appropriate vice president's approval of payment for the noncompliant purchase, must be submitted to Purchasing Services.
 - 4.12.3 Individuals who do not comply with University policies when placing procurement orders may become personally liable to the supplier for the contract price, and may be subject to disciplinary action including possible termination.
- 4.13 When Invitations for Bids or Requests for Proposals are required, correspondence with suppliers relating to the acquisition of goods, services, or construction shall be processed through Purchasing Services beginning when an individual knows, or should have known, that a solicitation for Invitations for Bids or Requests for Proposals is required, and ending when a contract has been awarded.
- 4.14 The standard procurement process requires:
 - 4.14.1 That a requisition be submitted to the Purchasing Services Department to initiate the procurement of goods, services, or construction. The requesting University department must initiate the requisition.

4.14.1.1 Requisitions are not required when:

4.14.1.1.1 Purchasing from other University departments

4.14.1.1.2 Using mini purchase orders or purchasing cards

4.14.1.1.3 Purchasing authority is delegated as noted in 4.4

4.14.1.1.4 The payment is a payroll expense

4.14.1.1.5 Traveling

4.14.1.1.6 A Contracted Services Form is required

4.14.2 A purchase order is completed and approved by the Purchasing Services Department before an order is placed.

4.14.3 The Purchasing Services Department provides purchase orders to the supplier.

4.15 The standard procurement process is not required under circumstances where such a process would be impractical and not in the best interest of the University such as:

4.15.1 Sole Source Procurement

4.15.1.1 There is only one source for a procurement item as set forth in Utah Administrative Code R33-8-101a.

4.15.2 Significant Transition Costs

4.15.2.1 When transitional costs are a significant consideration in selecting a procurement item and the results of a cost benefit analysis demonstrates that transitional costs are unreasonable or cost-prohibitive, and that the awarding of a contract without engaging in a standard procurement process is in the best interest of the institution as set forth in Utah Administrative Code R33-8-101b.

4.15.3 Emergency Procurement

4.15.3.1 Emergency procurement is appropriate when an emergency condition exists that limits the capability of the institution to obtain competition. An emergency condition is a situation described in Section 63G-6a-803. These procurements shall be made with as much competition as reasonably practical while (1)

avoiding a lapse in a critical government service, (2) avoiding harm, or a risk of harm, to the public health, safety, welfare, or property or (3) protecting the legal interests of the institution.

4.15.4 Other circumstances where a standard procurement process is impractical and not in the University's best interest include:

4.15.4.1 Items for resale

4.15.4.2 Public utility services

4.15.4.3 A procurement item where the most important consideration in obtaining the item is the compatibility of equipment, technology, software, accessories, replacement parts, or service

4.15.4.4 Instructional materials or other needed items for curriculum purposes

4.15.4.5 Membership fees, conference registrations, seminars, subscriptions to intellectual content

4.15.4.6 Conference venues

4.15.4.7 Used equipment when determined to be more practical or advantageous to the institution

4.15.4.8 Advertising in magazines, journals, newspapers, radio, television, online, buses, billboards, etc.

4.15.4.9 Library journals, periodicals and rare books

4.15.4.10 Athletic game guarantees

4.15.4.11 Guest lecturers, performers, entertainers, convocations

4.15.4.12 Broadcasting rights, television programming and associated fees

4.15.4.13 Original works of art

4.15.4.14 Study abroad travel expenses

4.15.4.15 Travel, including commercial airfare and hotels

4.15.4.16 Trial Use

4.15.4.16.1 To qualify, the requirements under Utah Code 63G-6a-

802.3 must be met

- 4.15.4.17 Procurements using State of Utah contracts or other cooperative contracts overseen by the State of Utah.
- 4.15.4.18 Procurements from Utah Correctional Industries, and other government agencies, including other public institutions of higher education
- 4.15.4.19 Postage and direct mail
- 4.15.4.20 Royalty payments

V. References

- 5.1 Utah Procurement Code, Utah Code Annotated, sections 63G-6a-101 et seq.
- 5.2 Utah Board of Regents Policy R571 Purchasing Authority
- 5.3 Utah Code, Title 67, Chapter 16 Utah Public Officers' and Employees' Ethics Act
- 5.4 Utah Procurement Rules R33

VI. Procedures

- 6.1 Purchasing Thresholds
 - 6.1.1 Small-Dollar Purchase Threshold
 - 6.1.1.1 No competition is required; however, prudent and competitive business practices are encouraged.
 - 6.1.1.2 Allowable ranges
 - 6.1.1.2.1 Construction services up to \$25,000
 - 6.1.1.2.2 Enterprise software up to \$50,000
 - 6.1.1.2.3 Professional services up to \$100,000
 - 6.1.1.2.4 All other goods and services up to \$5,000
 - 6.1.2. Procurements Over the Small-Dollar Threshold and Under the Large-Dollar Threshold
 - 6.1.2.1. Three written bids must be obtained using the invitation for

quotation process (two for construction services). Oral bids are not acceptable. Requests for Proposals may also be used for transactions in this range.

6.1.2.2. Allowable ranges

6.1.2.2.1. Construction services between \$25,001 and \$50,000

6.1.2.2.2. All other goods and services, except professional services and enterprise software, between \$5,001 and \$50,000

6.1.3. Large Dollar Threshold

6.1.3.1. Advertised Invitations for Bids or Requests for Proposals are required.

6.1.3.2. Notification of Invitations for Bids or Requests for Proposals will be advertised in a State of Utah sanctioned bid system, or as a legal notice within a circulated newspaper.

6.1.3.3. Processing time will comply with State of Utah code requirements.

6.1.3.4. Allowable ranges

6.1.3.4.1. Construction services exceeding \$50,000

6.1.3.4.2. Design professional services exceeding \$100,000

6.1.3.4.3. Enterprise software exceeding \$50,000

6.1.3.4.4. Professional services exceeding \$100,000

6.1.3.4.5. All other goods and services exceeding \$50,000

VII. Addenda

ADDENDA – N/A

Policy Owner: Vice President of Administrative Affairs

Policy Steward: Director of Purchasing

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