Proposed Policy Number and Title: 203 Purchasing

Existing Policy Number and Title: 203 Purchasing

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<th>Approval Process*</th>
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Anticipated Expiration Date:

*See UVU Policy #101 Policy Governing Policies for process details.

Draft Number and Date: Stage 4

President’s Council Sponsor: Val Peterson Ext. ____________________________

Policy Steward: Ryan Lindstrom Ext. ____________________________

POLICY APPROVAL PROCESS DATES

Policy Drafting and Revision

Entrance Date: 9/20/2012

University Entities Review

Entrance Date: 3/28/2013

University Community Review

Entrance Date: 5/9/2013

Open Feedback: MM/DD/YYYY

Close Feedback: 5/30/2013

Board of Trustees Review

Entrance Date: 5/30/2013

Approval Date: MM/DD/YYYY

POST APPROVAL PROCESS

Verify:

☐ Policy Number
☐ Section
☐ Title
☐ BOT approval
☐ Approval date
☐ Effective date
☐ Proper format of Policy Manual posting
☐ TOPS Pipeline and Archives update

Policy Office personnel who verified and posted this policy to the University Policy Manual

Name: ____________________________

Date posted and verified: MM/DD/YYYY

Printed On:
June 11, 2013
A. PURCHASING RESPONSIBILITIES

1. Purchasing Department Responsibilities

   a. The Purchasing Department shall be responsible for the procurement of supplies and services and the selection of suppliers required by the institution and all its departments within legal requirements. Exceptions to this policy include:

   1. purchases specifically exempted under section B, below, and
   2. procurement relating to building construction and architecture/engineering services obtained by the state division of Facilities & Construction Management.

   b. The Purchasing Department shall establish operating procedures with which to:

   1. locate and ensure adequate and continuing sources of supply, consistent with legal, budgetary and delivery requirements of user departments; and
   2. provide the necessary assistance to acquire such supplies and services on a timely and economical basis; and
   3. assure compliance with all applicable state, federal, and college regulations during the procurement needs of the institution.

2. Exceptions: Procurement Authority of Operating Units

   By virtue of their special needs and the roles they fill at the institution, the following operating units are authorized to solicit bids and award purchase orders without going through the Purchasing Department:

   1. UVU Bookstore—Resale items only
   2. UVU Food Service—Resale items only

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

3. Limitations and Restrictions on Procurement

   . The institution shall not make purchases for the personal use of administrators, faculty or staff members.
   a. The institution shall not purchase goods or services from institution personnel or from business firms in which institution personnel serve as officers or directors or hold a substantial financial interest, unless special procedures are followed to avoid a violation of the Utah Public Officers' and Employees' Ethics Act (Utah Code § 67-16-1 et. seq.).
   b. Unless specifically approved in writing by the appropriate administrator, orders or commitments for procurement by faculty or staff members shall not bind the institution. Individuals who do not comply with institution policy when placing procurement orders may become personally liable to the vendor for the contract price.

4. Requisitions

   . Except as provided in paragraph (2.) below, or listed above, a requisition shall be submitted to initiate the procurement of supplies and services by the Purchasing Department.
   a. Items or services not requiring a requisition include:
      1. Payroll
      2. Travel—with the exception of travel advances and travel requirements necessitating a purchase order.

B. PURCHASES

All advertising costs become part of the purchase price of an item. Purchases of goods and services may be effected by the Purchasing Department within the following guidelines:

1. Construction

   . Purchases under $4,999 may be placed at the discretion of the Director of Purchasing, in keeping with good business practice.
   a. Purchases between $5,000 and $19,999 must be bid either verbally, in writing or by fax from at least two vendors.
   b. Purchases between $20,000 and $49,999 must be bid in writing or by fax from at least two vendors.
   c. Purchases over $50,000 must be advertised in a newspaper with statewide circulation.
2. **Non-Construction**

Purchases of goods and services may be effected by the Purchasing Department with the following guidelines:

. Purchases under $2,999 may be placed at the discretion of the Director of Purchasing, in keeping with good business practice.

a. Purchases between $3,000 and $14,999 must be bid either verbally, in writing or by fax from at least two vendors.

b. Purchases between $15,000 and $29,999 must be bid in writing or by fax from at least two vendors.

c. Purchases over $30,000 must be advertised in a newspaper with statewide circulation.

C. **RESTRICTED AND SPECIAL PROCUREMENT**

1. **General Fund Acquisitions that Require Special Approvals**

   a. Repairs to and/or replacement of personal property damaged while its owner is engaged in institution business may be procured with the approval of the appropriate administrator.

   b. Organizational or association memberships paid from institution-controlled funds may be procured only if necessary to meet program needs or to secure other benefits for the institution, and must be approved by the appropriate administrator.

2. **Acquisition of Surplus Government/Institution Property**

   Information regarding the availability of surplus property may be obtained from the appropriate office. See Policy B-2.1 Property, Plant, and Equipment.

D. **Solicitation of Bids & Proposals and the Award of Procurement Contracts**

1. **Competitive Bidding**

   a. Except as otherwise provided in this policy, procurement of construction items in excess of $20,000 and non-construction items in excess of $15,000 shall be awarded only after solicitation of competitive bids or proposals.

   a. Construction purchases in excess of $50,000 and non-construction purchases in excess of $30,000 shall be advertised in newspapers of state-wide circulation.
b. Bids and proposals shall be invited from the widest practical selection of firms with proven performance by whom, in the judgment of the Purchasing Department, the procurement needs of the institution can be satisfied.

2. Bidding Procedures

Institution bidding procedures, including the invitation to bid, notification, establishment of criteria for bid evaluation, disclosure and evaluation of bids received, acceptance of bids, and award of contracts shall comply with the requirements of the Utah Procurement Code (Utah Code § 63-56-1 et seq.) and institution regulations.

3. Exceptions: Procurement without Competition

   a. Sole source contracts—A contract may be awarded for a supply, service, or construction item without competitive bidding when the appropriate administrator verifies in writing that he/she has determined that there is only one practicable source for the requisitioned item.
   
   b. Emergency procurement—When emergency conditions exist that create a threat to public health, welfare, or safety, procurement without full competition may be authorized pursuant to the policy listed above.

   b. Records—The Purchasing Department shall maintain, in accordance with the Utah Archives and Records Act, an official record of all contracts made under exceptions, summarizing each contract:

       1. the contractor's name;
       2. the amount and type of the contract, and
       3. the supplies, services, or construction procured.

E. LEASE OR RENTAL OF PROPERTY FOR COLLEGE USE

1. Lease agreements relating to equipment or other types of personal property may be entered into by the Purchasing Department pursuant to regular requisition and purchase order procedures (see Limitations and Restrictions on Procurement).

2. Departments other than the Purchasing Department are not authorized to enter into such lease agreements.

F. WAREHOUSE

1. The warehouse shall be responsible for the receipt and distribution of all materials ordered for delivery to the institution. Appropriate records shall be kept and reviewed on an annual basis.

2. The requisitioning department shall assume final responsibility for the acceptance of the merchandise and should notify purchasing of any damages, irregularities, nonconformity.
with specifications or other discrepancies within the following guidelines:

1. Departments shall report any damaged shipment to the Purchasing Department within ten (10) days after receipt of the shipment to allow a report of damage to be filed with the carrier within fifteen (15) days after delivery.

   a. All damaged materials shall be preserved in the condition in which received and be kept in the original shipping containers until instructions for disposal are received from the Purchasing Department. Compliance with this requirement is extremely important to fulfill requirement for the inspection report needed to file a damage claim.

3. The return of any supplies or materials to the vendor whether due to damage, misshipment, or other reasons, shall be arranged through the Purchasing Department to ensure that appropriate credit is received.

G. PROCUREMENT FROM VENDOR IN WHICH INSTITUTION EMPLOYEE HAS AN INTEREST

   The institution shall comply fully with all applicable provisions of the Utah Public Officers' and Employees' Ethics Act (Utah Code § 67-16-1 et seq.) This document is on file in the Purchasing Office.

1. Scope

   a. The policies and procedures set forth herein apply to all transactions (including small purchases and expedited procurement transactions) to which the institution, or any department or operating unit of the institution, is or may be a party, without regard for the amount of consideration to be paid thereunder, or the source of funding.

   a. For the purpose of applying the policies and procedures herein set forth, any reference to "purchasing agent" shall be construed to mean institution purchasing agent or, when appropriate, the responsible officer of any institution department of operating unit that is authorized to engage in contracting or procurement activities without going through the Purchasing Department.

2. Prohibitions

   a. An institution officer or employee shall not participate in his/her official capacity with respect to any transaction between the institution and a business entity in which the officer or employee has substantial interest.

   a. An institution officer or employee shall not receive compensation (in addition to regularly budgeted salary or wages for services to the institution) as a result of, or in connection with, any transaction between the institution and a business entity in which the officer or employee has a substantial interest.

3. Duty of Disclosure

   Every institution officer or employee shall disclose to his/her immediate superior, and to
the institution purchasing agent, the existence of a substantial interest which he/she has in any business entity which the officer or employee knows, or has reason to believe, may submit a bid or sealed proposal for, or otherwise seek to enter into, a transaction with the institution.

4. Remedies

If any transaction is entered into in violation of the policies and procedures set forth herein:

. The officer or employee who violated the prohibitions specified above, or who knowingly executed and submitted a false affidavit when requested, shall be subject to appropriate disciplinary action, including possible dismissal from institution employment, as provided in the Utah Public Officers' and Employees' Ethics Act (Utah Code § 67-16-1 et seq.).

a. The institution shall have the right to rescind or nullify any contract or sub-contract entered into in respect to such transaction without returning any part of the consideration that may have been received by the institution pursuant thereto.

H. LIMITED PURCHASE CHECKS

1. Department Sends Requisition to Purchasing Requesting One to Five $150 Limited Purchase Checks

. A maximum of five $150 checks can be requested at one time per cost code.

a. Requisition must be signed by department head.

b. Cost code must be included (one cost code per requisition).

c. When checks are picked up, another requisition may be left to be filled.

2. Checks Are Picked Up by Department Head

. If requisitions are into the Purchasing Office on or before Friday, checks will be ready to be picked up the following Monday.

a. Department head signs and dates the requisition and keeps the gold copy of the requisition; however, the department head may sign a memo stating that someone else may pick up their checks by doing one of the following:

1. Send a memo every time someone other than the authorized person picks up checks. The memo needs to include the person’s name who is signing for the checks, the date they are being picked up, and the cost code of the checks.

2. Send a memo once a year. The memo needs to include the person’s name who is authorized to pick up checks, the cost code of the checks, and the school year, i.e., 1992-93.
3. **Checks Are Used by Departments**

   Checks remain the responsibility of a department head, regardless of who actually spends them.
   a. Person using a check countersigns and includes driver's license number.
   b. A receipt or invoice must be obtained.
   c. A complete description of items purchased must be included on check copies where indicated.

4. **Restrictions**

   Checks cannot be written out to individuals. This includes UVU employees, students, or their relatives.
   a. Checks cannot be written for over $150.
   b. Purchasing many items at the same time with more than one check even if there are two invoices is not acceptable if the amount exceeds $150.
   c. When an invoice or receipt is more than $150, the check can only be written for $150. Amounts spent over $150 will not be reimbursed by the institution. This is in essence using two checks for one purchase.
   d. It is not acceptable to pay for an invoice totaling more than $150 with more than one check. The Limited Purchase Check system is designed for small purchases, and any requirements over $150 need to be handled by the Purchasing Department.
   e. Checks are not to be written for cash, or for an amount exceeding purchase.
   f. Items which are available in the Warehouse or on an open purchase order are not to be purchased with Limited Purchase Checks.
   g. The institution is exempt from state sales tax. Do not allow the vendor to charge tax. The tax exemption number is printed on the face of the check.

5. **Check Copies Are Returned to Purchasing Department**

   After each check is used, the purchasing copies of the check along with the receipt are returned to Purchasing within four working days of purchase. The pink copy is retained for the department's records.
   a. If a check is voided for any reason, every portion of it (check and all copies) must be returned to Purchasing. **DO NOT DESTROY CHECK!!!** The department may be charged for any stop payment fees.

6. **Failure to Comply with Policy Will Result in Loss of Privilege of Using Checks According to the Following:**

   **1st violation:** to be noted by the Vice President
7. **Violations Are Defined as Follows:**

   - Checks written to individuals, UVU employees, students or their relatives.
     - a. Checks written for over $150.
     - b. Checks written for cash, or for an amount exceeding purchase.
     - c. Checks paying for an invoice totaling more than $150 check with more than one

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