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**SUBJECT: Procurement**

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**1.0 PURPOSE**

1.1. As a public institution of higher education, Snow College (herein after referred to as the College) is accountable in the use of public funds, following ethical practices, and maintaining impartiality and professionalism in its procurement practices. This policy specifies the College's general procurement policies and responsibilities ensuring that all goods and services purchased by the College shall be procured in compliance with applicable Federal, State, Board of Regents and College statutes, rules, guidelines, policies, and procedures, regardless of the funding source. The Procurement Policy and Procedures shall serve all College divisions, departments, and employees as the authoritative directive on all procurement activities and transactions.

**2.0 DEFINITIONS**

- 2.1. Annual Cumulative Threshold: The maximum total annual amount that may be expended to obtain procurement items from the same source without a contract.
- 2.2. Business/Business Entity: A sole proprietorship, partnership, association, joint venture, corporation, firm, trust, foundation, or other organization or entity that engages in commercial business activities for profit making or non-profit purposes.
- 2.3. College Employee: A person employed by the College as administration, staff, faculty, or students, on a full-time, part-time, or adjunct basis. Members of the Board of Trustees, advisory committees/boards, or other boards, serving on a part-time or voluntary basis, are not considered College Employees.
- 2.4. Construction: The process of building, renovating, or demolishing College structures or buildings; major development or landscaping of College real property. Construction does not include, the routine operation, repair, or maintenance of existing structures, buildings, or real property.
- 2.5. Contract: Any legally executed College agreement for the procurement and/or disposal of equipment, goods, services, or construction.
- 2.6. DFCM: The State of Utah Division of Facilities Construction & Management. DFCM provides oversight of capital development and capital improvement projects for the College as outlined in Board of Regents Policy R710-3.
- 2.7. Family member: For the purposes of this policy, family includes the individual, parents, spouse, domestic partner, children, dependents, and siblings, and each of their respective spouses or domestic partners.
- 2.8. Gratuity (Bribe): Means anything of value, such as; money, loan, an award, employment, admission to an event, a meal, lodging, travel, a raffle, drawing or prize, or lottery, and entertainment for which a charge is normally made.

- 2.9. Goods: Anything purchased other than services, construction, or real property.
- 2.10. Hospitality Gift: Means a promotional or hospitality item, including, a pen, pencil, stationary, toy, pin, trinket, snack, nonalcoholic beverage, or appetizer.
- 2.11. Individual Procurement Threshold: The maximum amount that a single item may cost before it must be bid.
- 2.12. Interested Person: Means a person who is interested in any way in the sale or a procurement item or insurance to a public entity.
- 2.13. Invitation to Bid: A formal procurement method for soliciting bids from vendors interested in providing requested goods or services to the College.
- 2.14. Kickback: Means a gratuity or bribe given in exchange for favorable treatment in a procurement process or the administration of a contract.
- 2.15. Noncompliant Purchase: A procurement transaction circumventing established procurement policies and procedures.
- 2.16. Order Splitting: To divide, split, parcel, or otherwise manipulate a purchase into two or more smaller purchases with the intent to circumventing the procurement code, policies, and/or procedures.
- 2.17. Person: Any business, individual, group of individuals, union, committee, club, or other organization, not including a state agency or local public procurement unit.
- 2.18. Procurement: The act of buying, purchasing, renting, leasing, or otherwise acquiring any equipment, goods, services, or construction. Procurement also includes all functions that pertain to the obtaining of any equipment, good, service, or construction including description of requirements, selection, solicitation of sources, preparation, and award of a contract, and all phases of contract administration.
- 2.19. Procurement Participant: Means a person involved in: administering, conducting, making a decision regarding the procurement, those that make recommendations, evaluate, award the contract, ensures compliance, audits or enforces the contract.
- 2.20. Public Advertised Threshold: The total dollar limit of a purchase when it has to be publicly advertised for purchase.
- 2.21. Purchase Order: A legal and binding written contractual document, reflective of an offer from a supplier/vendor, and acceptance of that offer by the College. A purchase order serves as a formal order of goods or services to a vendor/supplier, and sets forth all terms and conditions applicable to that order. A "Change Order" amends the original Purchase Order according to the change(s) effected.
- 2.22. Purchasing Agent: Designated individuals who can legally bind the College for goods or services, include the President of the College, Vice President for Finance and Administrative Services, and the Director of Procurement Services.

- 2.23. Procurement Services: College department that has responsibility for overseeing all procurement related activities.
- 2.24. Real Property: Land and its permanently affixed buildings or structures.
- 2.25. Request for Information (RFI): A procurement method for soliciting information from vendors/suppliers to develop specifications for a future solicitation.
- 2.26. Request for Proposals (RFP): A procurement method for soliciting proposals from vendors/suppliers interested in providing requested goods or services to the College.
- 2.27. Request for Quotation (RFQ): An informal procurement method for soliciting quotes from vendors/suppliers interested in providing the requested goods or services to the College.
- 2.28. Requisition: A request for the purchase of goods or services, initiated through Banner or Banner self-service, and received by Procurement Services, which can be turned into a College Purchase Order.
- 2.29. Services: The furnishing of labor, time, or effort by a vendor/supplier, not involving the delivery of a specific end product, other than reports, which are merely incidental to the required performance. It does not include employment agreements or collective bargaining agreements.
- 2.30. Single Aggregate Threshold: The maximum total amount that can be paid to one vendor at one time, without requiring a bid.
- 2.31. Specification: Any description of the physical or functional characteristics or of the nature of any equipment, good, service, or construction item. It may include a description of any requirement for inspecting, testing, or preparing a piece of equipment, good, service, or construction item for delivery.
- 2.32. Substantial Interest: (1) The ownership, either legally or equitably, by an individual, his/her spouse, or his/her minor children, of at least 10% of the outstanding capital stock of a corporation, or a 10% interest in any other business entity; or (2) the holding of a position in a business entity as an officer, director, board member, or employee.
- 2.33. Transaction: A formal or informal contract or agreement, expressed or implied, to which the College is a party that involves any transfer of consideration or payment of compensation.

### 3.0 POLICY

- 3.1. The Director of Procurement Services, is the Chief Procurement Officer for the College, and has authority over all procurements as delegated by the College President.
- 3.2. All goods and services purchased by the College shall be procured in compliance with applicable statutes, rules, guidelines, policies and procedures, regardless of the funding source, including state appropriations, federal appropriations, generated income, or funds from gifts, grants, and

- contracts, and regardless of method of payment (purchasing card, PO, check request, reimbursement, etc.)
- 3.3. Procurement Services oversees the procurement of all goods and services required by the College and all its divisions and departments. Procurement Services provides assistance and advice regarding all procurement needs of the College; and establishes operating processes that ensure 1) adequate access to goods and services, consistent with legal, budgetary, and delivery requirements; 2) timely and economical acquisition of goods and services; and 3) compliance with all applicable statutes, rules, policies, procedures, and guidelines during the procurement process.
  - 3.4. College Employee involved in a procurement process, must act in accordance with College and State Code of Ethics and the ethical standards outlined in the Utah Procurement Code (63G-6a et seq.) and must exercise prudent judgement to ensure that the commitment of funds is appropriate and justified for College operations. Individuals who do not comply with College policy when placing procurement orders may become personally liable to the vendor for the price of their order and may be subject to disciplinary action.
  - 3.5. As a Utah State Institution of Higher Education, the College must ensure that all College funds are used only to support appropriate College purposes and not purchases of a personal nature. When the expenditure is funded by a grant or contract, the use of such funds will be governed by the most restrictive conditions of the grant, contract, and College policy.
  - 3.6. Expenditures for compensation as defined by IRS code and/or Utah State Code are covered and must adhere to College policies, procedures, and guidelines.
  - 3.7. College funds expended by non-college organizations and component units will be in accordance with College policy, procedures, guidelines, and practices.
  - 3.8. Procurement activities shall be performed independent of any fund-raising endeavors of the College.
  - 3.9. Authorized operating units shall comply with all applicable College policies and procedures and use the same sound business practices when purchasing as those followed by Procurement Services. Other operating units may be extended similar procurement exceptions at the discretion of the Director of Procurement Services.
  - 3.10. Advance payments may not be made, except in certain cases as determined appropriate by a Purchasing Agent for the College.

- 3.11. Advance payments above \$5,000, that are determined appropriate by a College Purchasing Agent, are required to have a bond or other approved form of guarantee.
- 3.12. Procurement Services establishes, with the approval of the Board of Trustees, a maximum small-dollar purchase limit. Procurement Services establishes procedures to govern purchases under this limit, in conformity with the Utah Procurement Code.
- 3.13. Under the Utah Procurement Code Annotated, sections 63G-6a et seq, it is illegal to divide, split, parcel, or otherwise manipulate a purchase into two or more smaller purchases, regardless of the form of payment (purchasing card, PO, check request, reimbursement, etc.) with the intent of circumventing procurement code, policies, procedures, and purchasing card policies.
- 3.14. Criminal Penalties for illegal transactions, including felony and misdemeanor charges, and dismissal from employment will apply to individual(s) involved, as outlined in the Utah State Procurement Code (63G-6a-24).
- 3.15. A purchase may not be divided, split, parceled or manipulated over a period of time with the intent to use the policy for small dollar purchase of goods or services.
- 3.16. An invoice shall not be divided into multiple invoices of smaller amounts with the intent of making a larger purchase appear to be a small dollar purchase.
- 3.17. Employees may not receive or agree to receive compensation from a non-college source for assisting any person or business entity in any transaction involving the College.
- 3.18. In their College capacity, employees may not negotiate, review, approve, oversee, or otherwise participate in any transaction between the College and any business entity in which the employees or their family members have a significant financial or other interest.
- 3.19. Disclosure is required when employees or their family members hold a significant financial or other interest in a business entity providing goods or services that are the same or similar to college-provided goods and services and the employee is in a position to direct potential purchasers of the goods or services away from the College and to the business entity.
- 3.20. Membership of a procurement services committee such as RFP or RFQ committees, is limited to Snow College employees only. Non-employees may be used as advisors or technical experts, but non-employees may not serve as voting members of a procurement services committee.

#### 4.0 REFERENCES

- 4.1. Utah Procurement Code, Utah Code Annotated, sections 63G-6aet seq.
- 4.2. Utah Procurement Code, Utah Code Annotated, 63A-5-206 (2)(a)  
Construction
- 4.3. Utah Board of Regents Policy R571, Delegation of Purchasing Authority
- 4.4. Utah State Archives, Retention Schedules
- 4.5. College P-Card Policy, Procedures, and Guidelines
- 4.6. Chapter 16 Utah Public Officers' and Employees' Ethic Act 67-16-1 et seq.