



SOUTHERN UTAH UNIVERSITY
Policies and Procedures

Policy # 5.24
Date Approved: 04/13/93
Date Amended: 08/06/04
Office of Responsibility: VP Fin
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SUBJECT: PURCHASING

I. **PURPOSE:** To establish guidelines for purchasing at Southern Utah University.

II. **REFERENCES:**

- Southern Utah University Purchasing Office Procedures: Maintained and located within the Purchasing Office and attached to the office Web site
- Southern Utah University Purchasing Card Procedures and Guide: Maintained and located within the Purchasing Office and attached to the office Web site.

III. **POLICY:**

Southern Utah University utilizes a centralized Purchasing Office to effectively administer the procurement function. The Purchasing Office has sole authority to order supplies, materials, services and equipment, and to obligate the University in any type of contractual agreement. No department, employee, or student can obligate the University in any manner or purpose without written consent from the Purchasing Office. The Purchasing Office shall establish operating procedures consistent with State of Utah legal requirements and other governing University policies which allow for an efficient and cost-effective purchasing process.

The Purchasing Office recognizes and adheres to applicable State of Utah Procurement Codes, State of Utah State Codes (specifically Title 67) and Administrative Rules that regulate all University purchasing activity.

Any order or commitment made by a University faculty, staff, or student is not legally binding (see Section A - Purchasing) unless that person has been authorized in a manner as described within this policy. Those found to have violated this policy are subject to disciplinary action and may become personally responsible for the debt.

The Purchasing Office will maintain records of all transactions, agreements, legal notices, and purchase/sale documents, contracts, and supporting documentation. These files may be recorded either electronically or by paper and must be readily available for review. Furthermore, files must be maintained for a minimum period of at least seven (7) years.

A. **PURCHASING:**

No University employee or student may expend or obligate any University funds or contract with any business or entity or legally bind the campus



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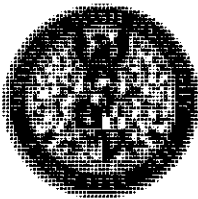
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without prior approval of the Purchasing Office. For consideration as approval by the Purchasing Office, employees and students must utilize one of the following tools:

1. **Purchasing Card Program** – This program consists of issuing a credit card to an employee or student to facilitate the purchase of their departmental supplies, goods, conference fees, some types of services, certain travel requirements, and other miscellaneous needs. Purchasing Card usage is controlled through limitations on dollar values and vendor category. Employees and students (Cardholders) issued a Purchasing Card must comply with the requirements set within the "Purchasing Card Guide". Cardholders who fail to comply will lose their card privilege and may be subject to further disciplinary measures. Request for Purchasing Cards must be made through the Purchasing Office.

The Purchasing Office, with assistance from other financial organizations, will perform an annual campus wide Program Review. Each department will be personally reviewed to ensure the proper recording of all transactions and tracking of expenditures. Additionally, from time to time, random audits will be conducted on individual transactions. As noted in the Purchasing Card Guide, those departments that are found to not satisfactorily administrate the Purchasing Cards within their control may lose this privilege.

2. **Purchase Orders** – The general form used by the University to contract with a business to provide goods and services. Employees must complete a Purchase Requisition form, either paper or electronic, and submit to the Purchasing Office for completion. Budgets to be used must have sufficient funds available. Requisitions with budgets that reflect insufficient funds will be returned to the department. Once completed by the Purchasing Office, a formal Purchase Order (PO) will be forwarded on to the vendor. The process allows for various options where PO's may be placed by mailing, faxing, ordering electronically, or by giving the PO number to the individual who initiated the requisition so they may place the order themselves. At no time may an employee or student place an order without first obtaining a PO (or through the use of a Purchasing Card or an SPO- see below).



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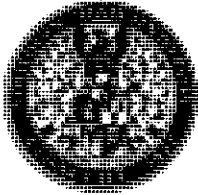
3. Small Purchase Orders (SPO's) – To be used by students (SUUSA, clubs, organizations, etc.) to purchase goods and services locally, within Iron County, with a total value under \$300.00. These PO's are issued to the student groups by the Purchasing Office prior to making a purchase. Purchases may not exceed the \$300.00 limit and SPO's may not be combined to increase their value. Under special circumstances, SPO's may be available to other campus departments for use.

B. BIDDING/REQUEST FOR PROPOSAL REQUIREMENTS:

To support University activities, the Purchasing Office will utilize, when required or deemed helpful, either formal Bid or Request for Proposal (RFP) processes. Furthermore, the University adheres to State of Utah Procurement codes as established by Utah State Legislature and Administrative Rules regarding these practices.

The Purchasing Office has established limits and requirements as criteria and guidelines for both Bid and RFP processes. These requirements are effective for all procurement activity including construction contracts. The criteria are as follows:

1. Transactions from \$1 - \$2,000
 - a. No multiple bid (or RFP) process is required, however prudent and competitive business practices are encouraged.
2. Transactions from \$2,001 - 5,000
 - a. Bids (or proposals) must be obtained from at least three (3) vendors.
 - b. Bids (or proposals) may be in writing or taken verbally, however price/vendor information must be noted on the requisition or on an attached sheet.
 - c. Bids (or proposals) will be obtained by the Purchasing Department unless prior approval has been given by Purchasing to the department to perform the bid process.
3. Transactions from \$5,001 - \$50,000



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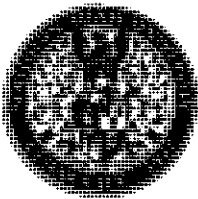
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- a. Bids (or proposals) must be obtained from at least three (3) vendors.
 - b. Bids (or proposals) must be in writing and on formal company letterhead or bid sheet. Oral bids will not be accepted.
 - c. The Purchasing Office will perform the bid (or RFP) process which includes preparation of formal bid (or RFP) documents and contract award notifications.
4. Transactions exceeding \$50,000
- a. Same criteria as #3 except notification of Bid (or RFP) must be posted on either the Purchasing Office Web site or as a legal notice within a circulated newspaper.
 - b. The Purchasing Office will be responsible for advertising.
 - c. Process time allowed for this level of transaction will be at a minimum of ten (10) working days to satisfy State of Utah code requirements.

Exceptions:

- The University acknowledges and utilizes State of Utah Purchasing Contracts for the procurement of goods and services. Because these contracts are the result of a formal bid/RFP process performed by state purchasing process, vendors who hold these contracts are excluded from the University Bid requirement. Purchases can be made directly from these vendors for any amount, through appropriate purchasing office procedures, and are not subject to the multiple bid/RFP process.
- Emergency purchases as approved by the Director of Purchasing
- Procurement of items for resale (Auxiliary Services, etc.)
- Procurement of public utility services



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C. LIMITATIONS AND RESTRICTIONS ON PROCUREMENT:

1. Purchases of materials, goods, or services can only be used for University business. University funds cannot be used for personal purchases.
2. Purchases of flowers for bereavement, food, refreshments, grocery items for departmental meetings, parties, open houses, or meals for faculty and staff members not on official travel status are not allowable. Exceptions:
 - Items required for instructional needs, or
 - Items receiving written approval by account manager's supervisor.
3. Procurement from Vendor in Which University Employee Has An Interest: It is the policy of the University to comply fully with all applicable provisions of the Utah Public Officers' and Employee Ethics Act, (67-16). The statements of detailed policies and procedures set forth herein are intended to provide notice to the University community of the requirements of that Act as applied to the procurement of supplies, services, and construction pursuant to the Utah Procurement Code, as amended, and related University regulations.
 - a. Employees must comply with the requirements of the Southern Utah University Conflict of Interest Policy, # 5.7, when their ownership interest in a potential University vendor is either solely owned, partnership, LLC, or when their spouse or immediate relative has similar ownership rights.
4. Gift items/Christmas cards to persons outside of the campus community are allowable with written supervisor approval. Gifts/cards to employees, including retirees, are not allowed without written approval from the Provost, Vice President, or President.
5. Sole Source Procurements. Sole source procurements shall be utilized if a requirement is only available from one vendor or a legitimate compatibility issue exists. A Sole Source form must be completed and approved by



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departmental supervision. This form must accompany the purchase requisition and is subject to approval of the Director of Purchasing.

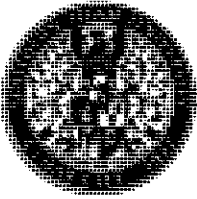
6. **Delegation of Purchasing Authority.** The Director of Purchasing may delegate special and limited purchasing authority to certain departments on campus due to special needs and campus roles. This authority allows for a department to generate and record their own purchase order process, in accordance with this policy and campus accounting procedures, and maintain their own file system. Those authorized departments will be subjected to audits to insure compliance with University policy and State of Utah codes. Departments granted this authority must receive and have on file a letter from the Director of Purchasing granting this ability.
7. **Remedies:** If any transaction is entered into in violation of the policies and procedures set forth herein, the University employee who violated the prohibitions as specified may be subject to appropriate disciplinary action including possible dismissal from University employment as provided in the Utah Public Officers' and Employees' Ethics Act.

D. PROCUREMENT ETHICS

1. Gifts of supplies, equipment, or materials furnished without charge to the University, other than items for resale, may be accepted but must be reported to the University Development Office to assure that the gift is recorded. Gifts of items for resale must be included as regular merchandise inventory.
2. Faculty and staff employees are prohibited from accepting any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind, directly or indirectly from vendors or suppliers.

E. USE OF UNIVERSITY PROPERTY – BUSINESS'S

University property may not be used at any time to provide a location where vendor(s) may sell their goods and services to the campus community for personal consumption.



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Auxiliary Services, which includes the Bookstore and Food Services, have the sole authority, as per Southern Utah University Policy 10.8, to provide all retail sales and food/drink items on campus.

Exceptions:

- Welcome Week – Business's may be invited to participate and set up a table to sell their commodities/services for both business/personal use during the specific time of the school year known as "Welcome Week". The tables will be located in the Sharwan Smith Student Center and are under the guidelines of that building administration. Vendors will be required to pay a suitable access fee to the student center for this ability.
- If it is determined to be in the best interest to the University to provide goods or services for personal use to campus community (i.e. ATM Machines), a formal Bid/RFP process must be performed to select the vendor.