



Subject:	Procurement/Purchasing
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560.1 Purpose

To define procurement and purchasing policies and procedures for the Office of the USTC Commissioner.

560.2 Approval

USTC Board of Trustees approval: September 22, 2011. Revised: June 8, 2016; March 23, 2017; September 13, 2017.

560.3 References

UCA 63G-6a, Utah Procurement Code

560.4 Procurement/Purchasing

- 4.1 **Procurement/Purchasing Officer:** The Assistant Commissioner for Planning, Finance, and Facilities shall serve as the procurement/purchasing officer for the Utah System of Technical Colleges (USTC) Office of the Commissioner.
- 4.2 **Utah Procurement Code:** All procurement/purchasing for the USTC Office of the Commissioner shall conform to the provisions contained in Utah Procurement Code (UCA 63G-6a) as well as any other applicable state and federal laws.
- 4.3 **Approval:** Individual employees designated as budget managers by the procurement/purchasing officer are authorized to make purchases within specific budget categories and within approved amounts as defined annually by the procurement/purchasing officer. All other purchases must be approved on a case by case basis by the USTC Commissioner or procurement/purchasing officer. No purchase may be made without sufficient budgeted funds to cover the entire amount of the purchase cost and related expenses such as delivery, installation, etc. without prior approval of the USTC Commissioner.
- 4.4 **Purchase/Credit Cards:** USTC credit cards may be issued to the following employees: the USTC Commissioner; associate and assistant commissioners, the USTC Commissioner's executive assistant, and other employees approved by the Board of Trustees. The Assistant Commissioner for Planning, Finance, and Facilities shall prepare written procedures for controlling the use of USTC credit cards. Such procedures shall be approved by the USTC Commissioner.
- 4.5 **Contract Purchases:** Payments for goods or services related to contracts, including ongoing utilities, leases, maintenance agreements, contracts for professional services, etc., do not require an additional purchase approval if a currently approved, written agreement is in place.



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- 4.6 **Purchases up to \$3,000:** No competitive quotes are required for purchases of goods or services up to \$3,000 in price. The purchaser may select the best source without seeking competitive quotes.
- 4.7 **Purchases Greater than \$3,000:** Purchases greater than \$3,000 should always involve the procurement/purchasing officer and require three price quotes unless subject to any of the exceptions described in 4.8, 4.9, and 4.10 below. The quotes must either be obtained by or delivered to the procurement/purchasing officer prior to placing an order or entering an agreement to make a purchase of over \$3,000. If the good or service required is available on a state contract or similar agreement, but an alternate vendor offers a lower price, the state contract or similar agreement price may be used for the second price quote.
- 4.8 **Cooperative Contracts and Related-Party Purchases:** Price quotes are not required for purchases made using state cooperative contracts or purchases made from technical colleges within the USTC system, state-funded higher education institutions, state agencies, or other state-funded political subdivisions.
- 4.9 **Sole-source Purchases:** If at least two quotes cannot be obtained, the purchase is considered a sole-source purchase. Sole-source purchases require the documented approval of the USTC Commissioner or procurement/purchasing officer indicating why the purchase was declared a sole-source. Examples of circumstances which could necessitate a sole-source purchase are as follows:
 - 4.9.1 Compatibility of equipment;
 - 4.9.2 Accessories;
 - 4.9.3 Replacement parts;
 - 4.9.4 Service is a paramount consideration; or
 - 4.9.5 A vendor is the only available supplier of the good or service.
- 4.10 **Emergency Purchases:** If an emergency condition exists which creates an immediate threat to health, welfare, or safety as determined by the USTC Commissioner or other executive officer, and which creates an immediate and serious need for supplies, services, or construction that cannot be met through normal procurement methods, only those supplies, services, or construction items necessary to meet the emergency may be purchased without competitive bids if otherwise required. The employee responsible for making an emergency procurement shall make a written determination stating the basis for the emergency procurement and for the selection of the particular supplier.
- 4.11 **Purchases over \$50,000:** All purchases over \$50,000 are subject to a competitive, sealed bidding process or to a competitive, sealed proposal process as provided in Utah Procurement Code, UCA 63G-6a.



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- 4.12 **Division of Purchases:** Per UCA 63G-6a-5-506(8)(a) It is unlawful for a person to intentionally or knowingly divide a procurement in order to avoid the requirements of a larger purchase. Employees who intentionally or knowingly divide a purchase may be subject to prosecution and/or other disciplinary actions that may include termination of employment.

- 4.13 **Administrative Expenses:** Staff members of the USTC Commissioner's Office are often called upon to attend meetings and other functions with associated expenses outside the typical course of duties. USTC will pay or reimburse expenses incurred by an employee of the USTC Commissioner's Office that, within the professional judgement of that employee, would constitute an ordinary and necessary business expense (defined by the IRS as helpful and appropriate for your trade or business). Employees should seek to find a balance such that they do not receive undo personal benefits from their job while also not bearing undo personal expenses due to job responsibilities.
 - 4.13.1 **Guidelines Regarding Meals:** For a meal to qualify as an expense to the USTC Commissioner's Office budget, the meal should be directly related to the active conduct of USTC business by being directly before or after a substantial and bona fide business discussion.

- 4.14 **Capitalization Threshold:** Capital assets are defined as property, equipment, and buildings with an initial individual cost of at least \$5,000 and a useful life in excess of one year.

- 4.15 **Capital Assets Control:** All capital assets will be recorded, tracked, and depreciated according to written procedures prepared by the USTC procurement/purchasing officer. Such written procedures must conform to state and federal law.

- 4.16 **Equipment Tracking:** All capital assets and any other piece of tangible property with an acquisition cost greater than \$500 (especially laptops, projectors and other portable electronics) and a useful life of greater than one year will be tracked by the USTC procurement/purchasing officer on a list including the name and brief description of the item, the acquisition cost, and the employee with primary custody of the item.