

## I. POLICY

All products and services purchased by the college shall be procured in compliance with applicable statutes, rules, policies, procedures, and guidelines, regardless of the funding source. In addition, all procurement activities shall be conducted in a manner that ensures the fair and equitable treatment of all suppliers, and fosters broad-based competition in the marketplace.

## II. REFERENCES

- A. Suspension and Debarment, 2 C.F.R. § 200.213.
- B. Procurement Standards, 2 C.F.R. §§ 200.317-326.
- C. Retention and Disposition of Records, Utah Code Ann. § 63G-2-604.
- D. Utah Procurement Code, Utah Code Ann. §§ 63G-6a-101–2407.
- E. Utah Public Officers' and Employees' Ethics Act, Utah Code Ann. §§ 67-16-1–15.
- F. Bribery or Offering a Bribe, Utah Code Ann. 76-8-103.
- G. Receiving or Soliciting Bribe or Bribery by Public Servant, Utah Code Ann. § 76-8-105.
- H. Surplus Property, Utah State Bd. of Regents r. 558.
- I. Purchasing, Utah State Bd. of Regents r. 571.
- J. SLCC [small dollar purchasing guidelines](#), and [purchasing card procedures](#).

## III. DEFINITIONS

- A. Advance Payments: Payments made prior to the actual receipt and delivery of supplies, services, or construction.
- B. Business; Business entity: a sole proprietorship, partnership, association, joint venture, corporation, firm, trust, foundation, or other organization or entity used in carrying on commercial business activities for profit making purposes. Also referred to as suppliers or vendors of supplies and services.
- C. Construction: The process of building, renovating, altering, improving, repairing, or demolishing any college structure or building, major development, or

landscaping of college real property. It does not include the routine operation, routine repair, or routine maintenance of existing structures, building, or real property.

- D. Contract: A written college agreement entered into and properly executed for the procurement or disposal of supplies, services, or construction.
- E. Invitation for Bids: A formal procurement method for soliciting bids from suppliers to provide requested supplies, services, or construction to the college.
- F. Procure or Procurement: The process of buying, purchasing, renting, leasing, leasing with an option to purchase, or otherwise acquiring any equipment, supplies, services, or construction. It also includes all functions that pertain to the obtaining of any supply, service, or construction, and includes the description of requirements, the selection process, solicitation of sources, the preparation for soliciting equipment, supplies, services, or construction, and award of a contract.
- G. Purchase Order: A legal and binding written contractual document reflective of an offer from a vendor, and acceptance of that offer by the college, serving as the college's formal order to purchase a procurement item(s), and setting forth all terms and conditions applicable to that order. A change order amends the original purchase order according to change(s) set forth in the change order.
- H. Purchase Requisition: an initial or proposed request by departments for the purchase of supplies, services, or construction.
- I. Request for Proposals (RFP): a procurement method for soliciting proposals to provide requested supplies, services, or construction to the college.
- J. Request for Quotations (RFQ): an informal procurement method for soliciting quotes for requested supplies, services, or construction to the college.
- K. Services: the furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end product other than a report that is incidental to the required performance. It does not include employment agreements or collective bargaining agreements.
- L. Small Dollar Purchase: The procurement of supplies or services for which the total cost is less than the small dollar purchase threshold.
- M. Small Dollar Purchase Threshold: The threshold established by Purchasing under which departments may procure supplies and services in accordance with the [Small Dollar Purchase Guidelines](#).

- N. Sole Source: A procurement method where only one supplier can provide the needed supplies, services, or construction.
- O. Solicitation: An invitation for bids, a request for proposals, a request for quotations, or any other document issued by the college for the purpose of soliciting quotes, bids or proposals to form a procurement contract/agreement.
- P. Specification: Description of the physical, functional, quality, nature and performance characteristics of a supply, service, or construction item to be purchased. Specifications may include a description of any requirement for inspecting, testing, preparation, or delivery of a supply, service or construction item.
- Q. Substantial Interest: The ownership, either legally or equitably, by an individual, his/her spouse, or his/her minor children, of at least ten percent of the outstanding capital stock of a corporation or a ten percent interest in any other business entity; or the holding of a position in a business entity as an officer, director, or employee.
- R. Supplies: All supplies, including but not limited to equipment, materials and printing.

#### **IV. PROCEDURES**

- A. Purchasing and Accounts Payable Authority and Responsibility
  - 1. Salt Lake Community College (college) is subject to state procurement regulations, which includes the Utah Procurement Code and the Utah State Board of Regents r. 571, Purchasing. The college is also subject to federal procurement regulations when federal funds are used to procure supplies or services.
  - 2. The president delegates authority over procurement activities to the director of Purchasing and Accounts Payable and designates the director of Purchasing and Accounts Payable as the chief procurement officer for the college.
  - 3. All supplies, services, and construction purchased by the college shall be procured in compliance with applicable statute, rules, guidelines, policies, and procedures, regardless of the funding source, including: state appropriated, federally appropriated, income generated, and funds from gifts, grants, and contracts.
  - 4. The procurement activities of the college are strictly independent of the fundraising endeavors of the college.

5. Purchasing and Accounts Payable provides centralized procurement services to departments that includes guidance, processing, accountability and transparency for the procurement of all products and services deemed necessary by the college to educate students, conduct the college's business endeavors, and facilitate the mission of the college.
6. Purchasing and Accounts Payable is responsible to oversee the purchase of supplies, services, and construction intended to meet departmental specifications and requirements, while maximizing best value.

B. Conduct of College Employees Involved in a Procurement Process

Individuals who do not comply with college policies when placing procurement orders may become personally liable to the vendor for the contract price and may be subject to disciplinary action.

C. Advance Payments

Advance payments may not be made except in certain cases as determined appropriate by Purchasing and Accounts Payable.

D. Limitations and Restrictions on Procurement

1. A college officer or employee is forbidden to participate in his/her official capacity with respect to any transaction between the college and a business entity in which the officer or employee has a substantial interest.
2. A college officer or employee is forbidden to receive compensation (in addition to regular budgeted salary or wages for services to the college) as a result of, or in connection with, any transaction between the college and a business entity in which the officer or employee has a substantial interest.
3. Employees of the college cannot use their position in the college (including use of the college mailing address) to obtain goods or materials for instruction and then resell those goods and materials for personal gain.
4. The purchase of supplies, services, or construction from faculty or staff shall be authorized only if:
  - a. established Purchasing and Accounts Payable processes are followed in compliance with the Utah Public Officers' and Employees' Ethics Act and the college's Conflict of Interest, External Employment, & Consultations Policy; and
  - b. documented evidence that the purchase price is fair and reasonable exists.

5. Except as authorized in the Small Dollar Purchase Guidelines, the college's Contract Signatory Authority Policy, or otherwise specifically approved in writing by Purchasing and Accounts Payable, orders or commitments for procurement by faculty or staff members are not binding on the college.

E. Purchasing Supplies Produced or Distributed by SLCC Internal Service Operations

1. The following supplies and services produced/distributed by the listed internal services will be the selected source of supply if the supplies or services meet the requirements of the ordering department.
2. These departments have a right of first refusal, so if they are unable to complete any orders, they may engage outside service providers or give permission for a department to purchase with an outside vendor, or work with Purchasing and Accounts Payable if the amount exceeds the small dollar purchase threshold.
  - a. Printing services, copy services, and the printing of SLCC logo on promotional items from SLCC Printing Services.
  - b. Mailing services from SLCC Mail Services.

F. Purchases that Require Pre-Approval, Authorization, Coordination or Oversight

Certain commodities require pre-approval, authorization, coordination, and/or oversight. A list of these commodities and the department responsible for oversight for them can be found on the Purchasing and Accounts Payable website.

G. Small Dollar Purchases

1. Purchasing Thresholds

- a. Purchasing and Accounts Payable establishes purchasing thresholds, including the small dollar threshold, and guidelines to govern purchases under those thresholds in conformity with the Utah Procurement Code.
- b. These thresholds and guidelines are listed on the Purchasing and Accounts Payable website.
- c. Small dollar purchases may be made at the departmental level in accordance with the Small Dollar Purchase Guidelines without the involvement of Purchasing and Accounts Payable.

- d. Departments may select the best-known source without seeking competitive quotes; however, departments are encouraged to obtain competitive quotes whenever possible.
  - e. The cost of delivery must be taken into consideration in relationship to the small dollar purchase threshold.
  - f. These small dollar purchase procedures may not be suitable for ongoing, continuous, and regularly scheduled procurements of supplies or services that in aggregate would exceed the small dollar purchase threshold during a fiscal year.
2. Small Dollar Payment Methods Available to Departments
- a. SLCC departments may make small dollar purchases using any of the following payment methods in compliance with the instructions and guidelines established for each payment method:
    - (1) purchasing card;
    - (2) limited cash draft (LCD check); or
    - (3) expense reimbursement;
  - b. Salt Lake Community College has Utah State sales tax exempt status, and state sales tax should not be paid on small purchases.
  - c. Departments may obtain a copy of the Utah sales tax exemption on the Controller's Office webpage or by contacting Purchasing and Accounts Payable or the Controller's Office.
  - d. SLCC departments or employees may not independently apply for a merchant-issued or a bank-issued credit card for the purpose of making small dollar purchases. Any request for such must be submitted to the Controller's Office for consideration.
3. Restriction on Artificially Dividing or Splitting a Purchase
- a. It is unlawful to intentionally or knowingly divide, split, parcel or otherwise manipulate a larger purchase into two or more smaller purchases with the intent of circumventing an established purchasing limit or threshold.
  - b. An employee must not instruct a vendor to artificially divide an invoice into multiple invoices for smaller dollar amounts with the intent of making a higher dollar purchase appear to be a small dollar purchase.

- c. Additional procurement training will be required for an employee that artificially splits a purchase.
- d. An individual who knowingly or intentionally divides a purchase may be reported to the Attorney General's Office and/or be subject to disciplinary action and/or criminal penalty as required by statute.

#### H. Purchase of Supplies and Services that Exceed the Small Dollar Purchase Threshold

##### 1. Authority

- a. Purchasing and Accounts Payable has sole authority to procure all products and services that exceed the small dollar purchase threshold.
- b. Purchasing and Accounts Payable establishes guidelines for processing purchases over the small dollar purchase threshold.
- c. Purchasing and Accounts Payable also works with college departments to ensure that all orders are compliant with college policy, state and federal codes, and departmental requirements.

##### 2. Purchase Requisitions

- a. A purchase requisition must be submitted to initiate the procurement of supplies, services, or construction by Purchasing and Accounts Payable.
- b. Supplies or services not requiring a purchase requisition include, but are not limited to:
  - (1) purchases made in accordance with the small dollar purchase guidelines established by Purchasing and Accounts Payable that do not utilize the requisition process;
  - (2) salaries and wages;
  - (3) travel (note: all trips involving an over-night stay require the submission of a travel requisition); and
  - (4) college departments that utilize inter-department billing (such as Printing Service, Facilities, Fleet and Logistics Services, or other campus departments).
- c. College departments must create and approve a purchase requisition before a purchase order can be created.

- d. A purchase order must be completed and approved by Purchasing and Accounts Payable before an order is placed.
- e. Purchase requisitions are not purchase orders and shall not be used or represented as such.

### 3. Specifications

- a. Purchase requisitions must include comprehensive specifications about the supply, service, or construction to be procured. Specifications are to be drafted by the requesting department, NOT a potential supplier.
- b. The specifications must clearly detail the features, functions and/or level of quality required. Specifications shall not be unnecessarily restrictive with the intent of limiting competition.
- c. Software and other products should be purchased in accordance with SLCC [Accessibility Purchasing Guidelines](#).
- d. Purchasing and Accounts Payable ensures that specifications encourage competition while adequately describing the supplies and/or services needed.
- e. Purchasing and Accounts Payable will assist departments in the preparation, revision, and maintenance of specifications for supplies, services, and construction required by the college.
- f. An external individual or company who has participated in the writing of specifications shall not be eligible to participate in or receive a contract award for any college procurement using such specification. Exceptions may be made by the director of Purchasing and Accounts Payable.

### 4. Solicitations

- a. Purchasing and Accounts Payable is responsible for soliciting bids and proposals for procurements over the small dollar threshold.
- b. This process includes the preparation, issuance, notification, receiving, opening, accepting, evaluating, negotiating, and awarding contracts.
- c. In conformity with the Utah Procurement Code, Purchasing and Accounts Payable establishes guidelines to govern these processes.
- d. Procurements made utilizing a current contract do not require a solicitation.

### 5. Receiving



- a. The receipt of supplies and services is the responsibility of the requesting department.
- b. The receipt of supplies and services should be entered in accordance with receiving guidelines.
- c. Purchasing will facilitate communication with a vendor to resolve an error or dispute associated with the purchase order.

#### 6. Emergency Purchase

- a. An emergency condition is defined as a situation which creates a threat to public health, welfare, or safety such as may arise from natural disasters, epidemics, riots, equipment failures, or other reasons as may be determined by SLCC administration.
- b. An emergency condition creates an immediate and serious need for supplies, services, or construction that cannot be met through normal procurement procedures.
- c. Emergency procurement requests shall be limited to only those supplies, services or construction immediately necessary to attend to the emergency.
- d. When an emergency condition exists, the department must contact Purchasing and Accounts Payable with the emergency purchase request.
- e. Purchasing and Accounts Payable, after reviewing the facts associated with the emergency condition, may give verbal approval to the department to authorize the vendor to perform the requested service or provide the requested supplies. Competition, as is practicable, shall be obtained.
- f. A request for an emergency procurement must be followed by written supporting documentation describing the nature of the emergency.

#### 7. Sole Source Supply or Service

- a. When a supply or service is available from only one source in the marketplace, the product or service may be purchased as a sole source.
- b. If a department believes a product or service is a sole source, the department may submit a sole source request to Purchasing and Accounts Payable by using the Sole Source Justification Form.
- c. Purchasing and Accounts Payable will review the sole source request to determine whether the purchase is justified as a sole source. Sole source requests with insufficient justification and rationale in support of the sole

source assertion may not be approved. In cases of reasonable doubt or insufficient sole source justification, Purchasing and Accounts Payable will conduct a competitive solicitation.

I. Limited Purchase Delegation

1. The following operating units are delegated purchasing authority to solicit bids and issue purchase orders under the oversight of Purchasing and Accounts Payable, but in keeping with written policies as approved by Purchasing and Accounts Payable found within each department and with maximum practicable competition in all such purchasing:
  - a. library (books and periodicals only);
  - b. bookstore (resale items only); and
  - c. other resale operations as approved by the director of Purchasing and Accounts Payable (resale items only).
2. A limited purchase delegation may be issued on a case by case basis to non-Purchasing and Accounts Payable personnel in external departments for the purpose of delegating limited purchasing authority for a specific supply and/or service.

J. Acquisition of Real Property and Facilities

All real property and facilities for use by the college will be secured by purchase, lease, rental, or donation through the vice president for Finance and Administration in full compliance with all laws and regulations of the State of Utah and the Utah State Board of Regents.

K. Noncompliant Purchase

1. A procurement transaction circumventing established purchasing policies and procedures, including:
  - a. a non-requisitioned order that is placed by a department without the involvement of Purchasing and Accounts Payable; there is no purchase order or contract, and no supporting procurement documentation;
  - b. a purchase that is intentionally divided so as to circumvent procedure; and
  - c. a noncompliant purchase may be rescinded or nullified. If a vendor charges a restocking fee, the department is responsible for the fee.

2. When a noncompliant purchase is identified, the employee that made the noncompliant purchase must provide written documentation detailing the facts associated with the purchase.
3. The noncompliant purchase documentation must accompany the invoice, and copies of the documentation must be submitted to the departmental budget center manager, the cognizant vice president, and Purchasing and Accounts Payable.
4. Additional procurement training may be required for an employee that makes a noncompliant purchase. An employee with a history of repeated noncompliant purchases may be subject to disciplinary action by the employee's supervisor.

#### L. Acceptance of Gifts

Gifts of supplies, equipment, or materials (other than samples) furnished without charge to the college may be accepted but must be coordinated with the college Development office to assure that the gift is recorded and an appropriate acknowledgement provided to the donor.

#### M. Records Retention

Procurement documents will be retained as prescribed by college retention guidelines, the state archives records retention schedule, and federal retention requirements, as applicable.