529.1 PREFACE

As an institution of the State and the Utah System of Higher Education, the University is subject to the provisions of:

- Utah Procurement Code (Utah Code 63G-6A),
- Regents Policy R571, Delegation of Purchasing Authority,
- Utah Public Officers’ and Employees’ Ethics Act (Utah Code 67-16), and

The University supports the values and guiding principles of public procurement outlined in Regents Policy R571, Delegation of Purchasing Authority:

Accountability - Taking ownership and being responsible to stakeholders for our actions…essential to preserve the public trust and protect the public interest.

Ethics - Acting in a manner true to these values…essential to preserve the public’s trust.

Impartiality - Unbiased decision-making and action…essential to ensure fairness for the public good.

Professionalism - Upholding high standards of job performance and ethical behavior…essential to balance diverse public interests.
Service - Obligation to assist stakeholders…essential to support the public good.

Transparency - Easily accessible and understandable policies and processes…essential to demonstrate responsible use of public funds.

See Regents Policy R571, Delegation of Purchasing Authority for guiding principles associated with each value.

Accordingly, while applying these values and principles, the University expects employees to use the authorized procurement processes and:

1) obtain maximum value for each dollar expended,
2) utilize open competition and impartial evaluation of alternative products, and
3) foster fair, ethical, and legal trade practices, which develop a strong vendor community and promote public trust in Utah State University and the Utah System of Higher Education.

For additional information, see Purchasing and Contract Services’ Rules and Procedures.

529.2 POLICY

2.1 Competitive Bid Threshold

The competitive bid threshold for USU is currently set at $5,000.

It is against Utah Procurement Code and this Policy for a person to knowingly divide a purchase into one or more smaller purchases with the intent to make a procurement qualify under a lower threshold.

For purchases less than $5,000, departments may select a specific vendor that best fulfills the business need without the requirement of a competitive selection process. The primary procurement methods for purchases under $5,000 are P-Cards and EZ-Buy.

P-Cards  P-Card purchases can be made up to the individual limit established for a given P-Card

EZ-Buy  For requisitions entered into EZ-Buy that are less than $5,000, the system will automatically generate a purchase order to the vendor once the requisition has been routed through the approval levels established for the index number(s) being used.

For purchases greater than $5,000, a competitive selection process or a sole source justification is required. In these instances, Purchasing and Contract Services becomes involved in the procurement process to facilitate the vendor selection by using the most efficient and appropriate solicitation method (See Section 529.3 for descriptions of
solicitation methods). The primary procurement method for purchases greater than $5,000 is EZ-Buy:

**EZ-Buy**  For requisitions entered into EZ-Buy that are greater than $5,000, the system will route the requisition through the approval levels established for the index number(s) being used and then forward the requisition to Purchasing and Contract Services. Once Purchasing and Contract Services confirms that the appropriate vendor selection process has been completed, the requisition receives final approval and the system generates a purchase order to the vendor.

### 2.2 Barter/Trade

Barter/trade is a system of exchange by which goods or services are directly exchanged for other goods or services without using money. If engaging in barter/trade, all personnel shall follow procurement policy regarding fair, open competition, transparency etc.

1) When considering barter/trade, the option should be available to all suppliers or offerors.
2) All barter/trade transactions should be recorded in the University financial system as offsetting revenue and expense entries.
3) If the market value of a transaction including barter/trade and cash for a good or service is greater than $5,000, departments should contact Purchasing and Contract Services to ensure that an appropriate procurement process is followed.

Quid pro quo means, “one thing in return for another or something that is given or taken in return for something else; substitute.” To avoid the “appearance of impropriety” and maintain ethical, impartial, and transparent procurement processes, Utah State University regards the use of quid pro quo as barter or trade.

**Note:** As outlined in **USU Policy 524, Receipting of Charitable Contributions**, “a gift” means “a charitable contribution ...received by Utah State University for either unrestricted or restricted use in the furtherance of the University for which the University has made no commitment of resources or services other than committing to use the gift as the donor specifies. The gift is a nonreciprocal transfer of the asset in that there is no implicit or explicit statement of exchange, purchase of services, or provision of exclusive information.” Donations should be processed through Utah State University Advancement.

### 2.3 Procurement and Solicitation Methods

Purchasing and Contract Services is responsible for the procurement of goods and services required by the University and its organizational units.
Certain aspects of procurement are distributed to departments in order to create an efficient and timely purchasing process for a wide variety of goods and services needed across the University.
**Procurement Methods:**

<table>
<thead>
<tr>
<th>DEPARTMENTAL UNITS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>P-Card</strong></td>
</tr>
<tr>
<td><strong>EZ-Buy</strong></td>
</tr>
<tr>
<td><strong>Purchases using Personal Funds</strong> <em>(Not applicable to individual travel, see Travel Policy #515)</em></td>
</tr>
<tr>
<td><strong>Petty Cash</strong></td>
</tr>
</tbody>
</table>

**Solicitation Methods:**

<table>
<thead>
<tr>
<th>DEPARTMENTAL UNITS</th>
</tr>
</thead>
</table>
| **Request for Quotation** | Contact Purchasing and Contract Services  
See Section 3.2 |
| **Invitation for Bid** | Contact Purchasing and Contract Services  
See Section 3.3 |
| **Request for Proposal** | Contact Purchasing and Contract Services  
See Section 3.4 |
| **Sole Source Procurement** | Contact Purchasing and Contract Services  
See Section 4.1 |
| **Emergency Purchases** | Contact Purchasing and Contract Services  
See Section 4.2 |
529.3 SOLICITATIONS

3.1 Request for Information (RFI)

For purchases over $5,000, departments may solicit specifications, price, and other information from various vendors prior to contacting Purchasing and Contract Services. Departments and Purchasing and Contract Services then use this information to develop an Invitation for Bid (IFB) or Request for Proposal (RFP).

If desired, departments may request that Purchasing and Contract Services initiate a formal RFI process.

3.2 Request for Quotation (RFQ)

RFQs are competitive solicitations for quote from two or more vendors. Utah State University may select or reject the quotes received without notice to all parties.

1) RFQs may include a wide range of requirements, including:
   a) availability of a procurement item;
   b) delivery schedules;
   c) industry standards and practices;
   d) product specifications;
   e) training;
   f) new technologies;
   g) cost and quantity discounts,
   h) capabilities of potential providers of a procurement item; and
   i) alternative solutions.
2) RFQs shall state the acceptance period for the Quote and describe the manner for submitting the Quote (e.g. phone, fax, email).
3) Awards should be made to the vendor with the lowest bid that meets the requirements of the RFQ.

3.3 Invitation for Bid (IFB)

Purchasing and Contract Services uses IFBs to initiate competitive sealed bid procurement. IFBs will include a purchase description, contractual terms and conditions applicable to the procurement. Purchasing and Contract Services will:

1) Publically advertise the IFB as outlined in the Utah Procurement Code,
2) Accept responses for a minimum of ten (10) days,
3) Follow the sealed bid process,
4) Open sealed bids publically in accordance with the Utah Procurement Code,
5) Evaluate bids based on requirements set forth, and
6) Award within reasonable promptness to the lowest bidder whose bid meets the requirements as set forth.

3.4 Request for Proposal (RFP)

Purchasing and Contract Services uses RFP processes instead of the IFB processes if it is determined that the RFP process will provide the best value to the University. RFPs will include scope of work, contractual terms and conditions applicable, and submittal instructions. Proposals received will be evaluated internally by a committee established to determine the vendor proposal that best meets the needs of the University as outlined in the RFP. Purchasing and Contract Services will:

1) Publically advertise the RFP as outlined in the Utah Procurement Code,
2) Accept responses for a minimum of ten (10) days,
3) Follow the Utah Procurement Code, and
   Appoint at least three individuals to evaluate the proposals based on requirements as set forth.

529.4 EXCEPTIONS TO SOLICITATIONS

4.1 Sole Source Procurement

Sole Source Procurement is permissible if a requirement is only available from a single supplier. A requirement for a particular proprietary item does not justify a sole source procurement if there is more than one potential supplier or offeror for that item.

The Director of Purchasing and Contract Services, or designee, has the responsibility to determine whether sufficient justification exists to utilize the sole source procurement method. Purchasing and Contract Services is required to publish notice of the intent to enter into a Sole Source Procurement for 10 days.

4.2 Emergency Purchases

Emergency procurement is appropriate when an emergency condition exists. An emergency condition is a situation which creates a threat to public health, welfare, or safety such as may arise by reason of floods, epidemics, riots, equipment failures, or such other reason as may be proclaimed by the President when the University’s capability of obtaining a competitive bid is limited.

Emergency procurements will be coordinated through Purchasing and Contract Service.

529.5 PURCHASING AND CONTRACT SERVICES RULES AND PROCEDURES

1) Purchasing and Contract Services will maintain detailed rules and procedures for the procurement processes supportive of this policy.
2) Utah State University departments are expected to be familiar with and follow the rules, procedures, and processes published on the Purchasing and Contract Services web site. (www.purchasing.usu.edu/htm/rulesandprocedures)

529.6 PROTESTS

An actual or prospective bidder may file a protest with the Director of Purchasing and Contract Services who will then follow the requirements listed in the Utah Procurement Code.

529.7 IMPROPER ACCEPTANCE OF A GIFT

7.1 Acceptance of a Gift

All University employees, regardless of involvement in procurement decisions are subject to the Utah Public Officers’ and Employees’ Ethics Act. Employees who accept inappropriate gifts may be at risk of criminal penalties and/or may be subject to University disciplinary action.

As stated in Utah Public Officers’ and Employees’ Ethics Act Section 67-16-5(2), “It is an offense for a public officer or public employee to knowingly receive, accept, take, seek, or solicit, directly or indirectly for himself or another a gift of substantial value or a substantial economic benefit tantamount to a gift:

1) that would tend to improperly influence a reasonable person in the person’s position to depart from the faithful and impartial discharge of the person’s public duties;

2) that the public officer or public employee knows or that a reasonable person in that position should know under the circumstances is primarily for the purpose of rewarding the public officer or public employee for official action taken…”

529.8 CONFLICT OF INTEREST

In addition, University employees are subject to conflict of interest policies of Utah State University and the Code of Federal Regulations, which states “no employee, officer, or agent must participate in the selection, award, or administration of a contract if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.”