



The University of Vermont

Office of the President

June 2, 2008

To: Vice President, Deans, Directors, and Department Chairs

From: Gary Derr, Chief of Staff
Fran Bazluke, Vice President and General Counsel

Re: **Procurements** – Approval Processes

CC: Budget, Finance, and Administrators Network

At the direction of the President, attached is a chart, the content of which is effective July 1, 2008, summarizing Interim Revised Contract Approval and Signatory Requirements affecting all procurements. These requirements are largely consistent with the terms of policies that have been in place for many years emanating from Procurement Services and the UVM Contract Approval and Signatory policy, as well as a 2004 Board resolution (all of which are available via hyperlink on the last page of the chart). To the extent that the interim rules are different, they supersede the terms of existing policy statements. Permanent policy revisions will be implemented in due course.

Procurement requests may be initiated only by authorized personnel, and charged against a specified budget in an amount commensurate with its balance. Although the attached chart contains important specifications, in sum procurements must be processed as follows:

- < \$5000: Via PurCard, as set forth in PurCard Policies and Procedures:
 - <http://www.uvm.edu/~purcard/>
 - For information, please contact: purcard@uvm.edu
- \$5000 to < \$25,000: Procurement Services via Purchase Order
 - See chart for procurement contracts containing certain provisions requiring legal review.
 - For information, please contact: procurement@uvm.edu
 - And see: <http://www.uvm.edu/~procure/>
- \geq 25,000 to \$50,000: Procurement with Quotation Evaluation Form (3 quotes) or Non-Competitive Bid Request; also, General Counsel Office review of contract.
 - For information: procurement@uvm.edu; <http://www.uvm.edu/~procure/>

- For General Counsel: general.counsel@uvm.edu or <http://www.uvm.edu/~gencnsel/>
- \geq \$50,000 to \$100,000: Procurement with RFP or Non-Competitive Bid Request;
 - General Counsel Office review of contract.
 - For information: procurement@uvm.edu; <http://www.uvm.edu/~procure/>
 - For General Counsel: general.counsel@uvm.edu or <http://www.uvm.edu/~gencnsel/>
- \geq \$100,000: see chart

Frequently Asked Questions

FAQ: *Does the chart list all approval requirements for all contracts and commitments?*

Answer: No. The chart primarily summarizes requirements relating to the procurement of services, goods, equipment, and real estate interests. UVM enters into a wide array of non-procurement contracts and agreements, and the approval pathways for those appear in the Contract Approval and Signatory Policy:
<http://www.uvm.edu/~uvmppg/ppg/procure/contract.pdf>

FAQ: *Are grant and contract sub-awards covered by the chart?*

Answer: No. Those are processed through the Office of Sponsored Programs unless they involve procurements; please contact OSP for information:
<http://www.uvm.edu/~ospuvm/>

FAQ: *What is a “contract” subject to Office of General Counsel review?*

Answer: In addition to the specifics the chart sets forth, a contract is a document, in whatever form or format, that contains narrative provisions governing the terms and conditions of the procurement, including (1) renewal, termination, or cancellation; (2) liability or limits thereof; (3) warranties or limits thereof; (4) disclaimers; (5) hold harmless, indemnification, or attorney’s fees provisions; or (6) choice of forum or venue for disputes. If you have questions as to whether OGC review is required, please contact OGC.

FAQ: *What is meant in the chart by “aggregate value”?*

Answer: “Aggregate value” means the total cost over a three-FY-year period of contracts with, or procurements from, a single vendor.

FAQ: *What is the difference between a Quotation Evaluation Form and a Request for Proposal?*

Answer: A Quotation Evaluation Form (QEF) applies to procurements in the range of \geq \$25,000 to \$50,000, and requires departments to show quotations from at least three vendors as well as to state the reasons for a proposed vendor selection. A QEF must be used unless a Request for Non-Competitive Bid is approved. A Request for Proposal (RFP) applies to procurements \geq \$50,000. An RFP requires departments to identify a minimum of three vendors who have the ability to provide the desired goods or services at a quality level acceptable to the University.

FAQ: *How is authority to enter into contracts or make financial commitments delegated?*

Answer: In general, the officials whose approval is required per the attached chart are not authorized to delegate that authority. This rule is designed to ensure accountability at an appropriate level of administration in view of the nature and extent of the proposed financial commitment. Attached is an updated Delegation of Authority that allows for limited delegations with approval of the President or Provost & Senior Vice President.

If you have additional questions, in addition to the offices listed above, please contact Gary Derr: gary.derr@uvm.edu.

Thank you.

Encl.: Chart

SAMPLE DELEGATION OF AUTHORITY LETTER

By means of this letter, I, [name and title], delegate the authority herein described to the [position title], on the following terms and conditions:

1. The [title] may review and execute, on my behalf, contracts in an amount and duration not to exceed [dollar limit] and [period of time].
2. The contracts subject to this delegation are those relating to [describe nature of contracts].
3. The effective date of this delegation is [specify] and shall run [indicate time limit if any; if none, indicate that it shall run until revoked by delegating official or his/her successor is appointed].
4. The authority delegated is not subject to sub-delegation.
5. This delegation is made pursuant to the University Contract Approval and Signatory Authority Policy and is subject thereto.

[signature]

Name
Title [delegating official]

Date:

Acknowledged and agreed:

Name
Title [delegate]

Date:

Approved¹:

cc: General Counsel [copy to be transmitted within three calendar days of execution]

¹ Both the appropriate Vice President and the Provost & Senior Vice President must approve if the delegating official is subordinate to the Vice President. The Provost & Senior Vice President must approve delegations from a Vice President or Dean to a subordinate. The President approves all delegations from the President; if the delegate is an official other than Provost & Senior Vice President, the Provost & Senior Vice President receives a copy of the delegation.