



POLICY

Title: Procurement or Lease of Goods and Services and Contract Approval and Signatory Authority for Procurement or Lease of Goods and Services - Interim

Policy Statement

The Office of Purchasing Services, under the supervision and oversight of its Director, is responsible for establishing, providing oversight of, and ensuring compliance with all University procurement requirements, including policies governing the purchase and/or lease of all goods, equipment, and services. Purchasing Services is also responsible for securing contracts for frequently purchased items and/or services.

This Policy complies with rules and regulations implemented by Uniform Guidance for standards 2 CFR 200.317 through 200.326 that are effective July 1, 2018 and November 12, 2020.

Reason for the Policy

The University of Vermont has implemented this Policy to ensure any purchase, regardless of funding source, is completed in compliance with University policies and legal requirements. The Policy is intended to ensure that commitments of University resources are properly reviewed and approved and that the associated agreements are signed by authorized officials.

Applicability of the Policy

This Policy applies to all members of the University community purchasing goods or services using a University of Vermont budget, regardless of funding source. It governs contractual agreements involving goods, equipment, and services.

Failure to comply with this Policy and/or the [Contract Approval and Signatory Authority Policy](#) may result in imposition of disciplinary action, governed by otherwise applicable University policies, handbooks, and collective bargaining agreements and/or personal civil or criminal liability for the unauthorized activity.

Definitions

Aggregate value: The total cost or financial obligation of a procurement or contract, lease, quote, or purchase agreement with a single supplier over the Contract Term.

Consulting Services: Services provided by an individual or company that involve the application of expert, specialized knowledge to a business problem or decision. Examples of consulting services include counsel, advice, facilitation, process design, training or coaching, research, analysis, organizational change management assistance, technology

implementation, operational improvement services, and development of plans, recommendations, or strategies.

Contract: A document, in whatever form or format, that contains narrative provisions governing the terms and conditions of the procurement, such as (1) cost and other financial terms; (2) quantity (3) 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.

Contract Term: Length of time of the commitment based on start date and end date of contract for the purchase or lease of goods and services.

Individual/Sole Proprietor: A supplier who provides a service to the University directly, *i.e.*, not through a corporation or other legal entity. Payments made to an individual or sole proprietor require completion of an [Employee vs. Independent Contractor Determination Form](#). Payments made to an individual for services are (IRS) Form 1099-Miscellaneous reportable.

Movable Equipment: Tangible, non-expendable, personal property that has an anticipated useful life of one year or more with an acquisition cost of \$5,000 or more.

Professional Services: Services that, by their nature, involve unique creativity, talents, and abilities or special training and/or skills. Examples of professional services providers include architects, attorneys, designers, and engineers.

PurCard (purchasing card): A credit card issued to University-authorized cardholders for the business purpose of completing small dollar purchases up to \$2,500.

Purchase Agreement: See "Contract"

Purchase Order (PO): An agreement between the University and the supplier to which it is issued. A purchase order contains the University's standard terms and conditions, to which the supplier agrees to conform in fulfilling the order.

Quote: An informal method of obtaining pricing from a supplier that can be completed at the department level. For purchases whose value exceeds \$25,000 but is less than \$100,001, quotes are required from a minimum of three (3) suppliers.

Quotation Evaluation Form: A form that allows departments to record and compare quotes received from suppliers for purchases whose value exceeds \$25,000 but is less than \$100,001.

Request for Proposal (RFP): A formal method of soliciting proposals from suppliers for specific University needs. The RFP process is administered by Purchasing Services and required for purchases whose value exceeds \$100,000.

Requisition for Purchase: An electronic form used to communicate the department's request to Purchasing Services for a purchase order to place an order with a supplier.

Single/Sole Source Justification Form: Required when a Quotation Evaluation or RFP process cannot be completed for purchases that exceed \$25,000. The requesting department must detail the reason(s) why an exception is being requested.

Sole-Source Selection: Sole-source selection of a supplier is allowable for goods and services that, as reviewed by Purchasing Services, are only available from a single source. Examples include specific software programs, and repair parts and accessories only sold by the manufacturer or its authorized representative.

Procedures

The [Purchasing Thresholds, Requirements, and Approvals for Procurement or Lease of Goods and Services matrix](#) provides a summary of the purchase approvals, methods of purchase, and contract review and approval required for purchases based on contract term and total dollar amount. While the matrix provides a summary, refer to this Policy for specific requirements.

Authority to Approve Purchases in PeopleSoft

The Vice President for Finance and Administration has delegated to the Director of Purchasing Services, through the Controller's Office, the authority to approve purchases and to enter into contracts, leases, or purchase agreements for amounts not to exceed \$50,000 over contract term. A purchase order (PO) for goods or services whose value over contract term exceeds \$50,000 and up to \$250,000 must also be approved by the University Controller. A PO for goods or services other than consulting or professional services whose value over contract term exceeds \$250,000 must also be approved by the Vice President for Finance and Administration.

A purchase order for goods or services other than consulting or professional services whose value exceeds \$1,000,000 must be approved by the [Board of Trustees per the Delegation and Retention of Board Authority](#).

A purchase order for consulting or professional services whose value over contract term is greater than \$250,000 requires approval by the Vice President for Finance and Administration or the President, and the Board of Trustees.

Required Contract Review and Approvals

If a purchase is accompanied by a contract, lease, quote, or purchase agreement that contains narrative provisions governing the terms and conditions of the procurement, the contract must be reviewed and approved prior to execution, as follows:

1. For Contracts, Leases, Quotes, or Purchase Agreements for Goods or Services other than Consulting or Professional Services, equal to or less than five years in length, where the cost of value over contract term is:

- Up to \$50,000: approved by Purchasing Services
- Between \$50,001 and \$250,000: approved by the University Controller, in addition to Purchasing Services
- Between \$250,001 and \$500,000: approved by the Vice President for Finance and Administration, in addition to all of the above
- Between \$500,001 and \$1,000,000: approved by the President, in addition to all of the above
- Greater than \$1,000,000: approved by the Board of Trustees, in addition to all of the above.

Contracts, leases, quotes, or purchase agreements greater than five years in length require Board of Trustees approval, regardless of amount.

2. **For Contracts, Leases, Quotes, or Purchase Agreements for Consulting or Professional Services, equal to or less than five years in length, where the cost or value over contract term is:**
 - Up to \$50,000: approved by Purchasing Services
 - Between \$50,001 and 250,000: approved by the University Controller, in addition to Purchasing Services
 - \$250,001 and greater: approved by the Vice President for Finance and Administration or President, and Board of Trustees, in addition to all of the above.

See **Exceptions** section below.

Contracts, leases, quotes, or purchase agreements greater than five years in length require Board of Trustees approval, regardless of amount.

3. **Purchase Orders and Contracts Requiring Board Approval**

When initiating a contract or purchase order that requires Board of Trustees' approval as specified above, the requesting department must work with Purchasing Services and allow ample time in the process to meet the Board materials submission deadlines. Information regarding those deadlines may be obtained from the Office of the Board of Trustees Coordinator.

4. **Personal Services Contracts**

Purchase of services from an individual requires completion of the Employee vs. Independent Contractor Determination Form (and a Services Agreement when applicable) attached to a requisition prior to the issuance of a purchase order.

5. **Legal Review**

All procurement contracts must be submitted to Purchasing Services for initial review. Purchasing Services shall, through its Contracts Analyst, establish and follow protocols recommended by the UVM Office of the General Counsel (General Counsel) to address contracts containing (1) defense, indemnification, or hold harmless provisions; (2) provisions seeking to limit the amount or types of liability of the other contracting party, its subcontractors, agents, or successors; and/or (3) provisions establishing the choice of law, forum, or dispute resolution means. In addition, contracts whose obligations in aggregate or related financial exposure exceed \$250,000 must be reviewed, prior to their execution, by the General Counsel or designee. Any contract that contains provisions or language beyond the delegation authority of Purchasing Services must also be reviewed by General Counsel.

Risk Management Review

Purchasing Services shall, through its Contracts Analyst, establish and follow protocols recommended by the University's Department of Risk Management when the subject matter or language of a contract raises issues of (a) risk liability, including a risk of accidental injury or loss to the University, its employees, students, or invitees, or to property owned, leased, or loaned by or to the University; and/or (b) provisions relating to insurance; waivers of rights including subrogation; additional insured status; liability limitations or waivers; or defense, hold harmless, and/or indemnification obligations.

Required Methods of Purchase

1. Small Dollar Purchases \$2,500 or Less

For purchases whose cost or value is \$2,500 or less, the required method of purchase is the University Purchasing Card (PurCard), unless the selected supplier does not accept the credit card in use by the University. If a supplier does not accept a PurCard, a requisition for purchase must be used. UVM's PurCard may not be used for purchases within UVM; in such instances, an interdepartmental charge is the required payment method. If a purchase of \$2,500 or less requires execution of a formal written contract prior to purchase, the requesting department must send the contract to Purchasing Services for review.

2. Purchases \$2,501 or Greater*

Purchases whose cost or value exceeds \$2,500 must be completed through issuance of a University purchase order. The requesting department initiates this process by submitting a requisition in advance of a purchase. Purchase orders are then issued by Purchasing Services and sent to the supplier as a confirming and authorized University order. If a contract requires review by General Counsel or Risk Management, additional time for processing may be required.

3. Purchases Between \$25,001 - \$100,000*

Purchases whose value exceeds \$25,000 but is less than \$100,001 must have one of the following: an approved contracted supplier, a Quotation Evaluation Form that includes three (3) quotes, or a Single/Sole Source Justification Form.

4. Purchases \$100,001 or Greater*

Purchases whose cost or value exceeds \$100,000 are subject to the Request for Proposal (RFP) process. The RFP must be issued by Purchasing Services to a minimum of three suppliers identified as having the ability to provide the good and/or service at a quality level acceptable to the University. The scope of work to be included in the RFP is the responsibility of the requesting department. Once the scope of work is received by Purchasing Services, an RFP will be created including these criteria. Purchasing Services will ensure that the RFP is administered according to the policies and procedures of the University. Once the RFP is released to potential suppliers, all communication from requesting departments to potential suppliers must flow through Purchasing Services, until the contract is awarded. The RFP process requires all prospective suppliers to submit their proposals electronically by the time and date designated in the RFP document. Proposal submissions are opened by Purchasing Services and forwarded to the RFP Committee for evaluation. Purchasing Services will work with the department to select a supplier. Purchasing Services notifies all suppliers of the outcome of the RFP process in which they participated. The contract will be awarded to the supplier submitting an acceptable proposal which best complies with the terms, conditions, and specifications of the RFP and/or which best meets the overall needs of UVM. Once the contract has been signed in accordance with the [Purchasing Thresholds, Requirements, and Approvals for Procurement or Lease of Goods and Services matrix](#) (Appendix A) a requisition for purchase can be submitted and Purchasing Services will issue a purchase order.

If the purchase is classified as a sole source, the requesting department must complete a Single/Sole Source Justification Form to explain the sole source justification, unless an [approved contracted supplier](#) is being used.

In addition, the Disbursement Center will require departmental approval of invoices whose value exceeds \$25,000 before payment will be processed.

*For those thresholds that require a purchase order (PO) prior to order placement, the PO is the authorization that binds UVM to the purchase and payment to the supplier. Failure by faculty, staff, or student employees to work with their business support staff in their unit, to acquire a PO prior to making a purchase, which confirms the University's commitment, may result in the individual who placed the order being personally responsible and/or liable to the supplier for payment.

Exceptions

1. Permitted Exceptions to Quotation and RFP Process

When it is deemed to be in the best interest of the University by the responsible unit official and approved by Purchasing Services, departments may make purchases without using a competitive process. Examples of appropriate non-competitive purchase categories include approved supplier contracts with the State of Vermont, U.S. General Services Administration contracts, and consortium agreements.

A request for a non-competitive purchase must be submitted by the responsible department to Purchasing Services and accompanied by a completed Single/Sole Source Justification Form. An exception to competitive process requirements also may be sought in emergency circumstances (with adequate explanation of the perceived emergency) but, if granted, shall not exceed the quantity and/or duration necessary to alleviate the immediate need.

2. Exemption for Certain Services Contracts

Because of the unique nature of the service needs of certain University operations and programs, certain contracts are exempt from the RFP requirements of this Policy. Offices responsible for such contracts must nonetheless create, maintain, and comply with written internal procedures describing how contracts and expenditures will be handled. These procedures must be approved in advance by the Vice President for Finance and Administration or their designee.

Contracts subject to this exemption are:

- Program Design and Construction of a Capital Project (Planning Design & Construction)
- Acquisition, Leases and Subleases of Real Property (Office of the General Counsel)
- University Bookstore Purchases for Resale (UVM Bookstore)
- Professional Legal Services (Office of the General Counsel)
- Theatrical Performances (Lane Series)
- Student Activities Concerts and Entertainment Events (Student & Campus Life)
- Insurance (Risk Management & Safety)
- Subcontracts and sub-awards (Sponsored Project Administration)
- Professional Psychiatric Services for Students. (Center for Health and Wellbeing)
- Library Materials and Resources (UVM Libraries)

Contracts that result from these RFPs still require approvals for dollar thresholds and General Counsel and/or Risk Management review (if applicable), as outlined in the [Purchasing Thresholds, Requirements, and Approvals for Procurement or Lease of Goods and Services matrix](#).

Apart from the exemption categories listed above, other departments or programs may apply for a procurement exemption by submitting written justification to the Vice President for Finance and Administration. The request must include a statement of justification and a description of proposed internal procedures for administering future contracts, to include contract duration and estimated total purchase amount.

Copies of all procedures required by this exemption protocol must be forwarded to the Controller’s office. Copies of all delegations of authority for procurement of goods and services must be on file with the Controller’s office to be valid.

Contacts

Questions concerning the daily operational interpretation of this Policy should be directed to the following (in accordance with the Policy elaboration and procedures):	
Title(s)/Department(s):	Contact Information:
Purchasing Services	(802) 656-6610 purchasing@uvm.edu

Forms/Flowcharts/Diagrams

None

Related Documents/Policies

- [Administrative Policy for Sponsored Project Administration Procedures](#)
- [Code of Conduct and Ethical Standards](#)
- [Conflict of Interest and Conflict of Commitment Policy](#)
- [Contract Approval and Signatory Authority Policy](#)
- [Cost Policy on Sponsored Agreements](#)
- [Cost Transfers Involving Sponsored Agreements Procedure](#)
- [Delegation and Retention of Board Authority](#)
- [Employee vs. Independent Contractor Policy](#)
- [Movable Equipment Policy](#)
- [Purchasing Card Program \(PurCard\)](#)
- [Purchasing Thresholds, Requirements, and Approvals for Procurement or Lease of Goods and Services Matrix \(Appendix A\)](#)

Regulatory References/Citations

None

Training/Education

Training will be provided on an as-needed basis as determined by the Approval Authority or the Responsible Official.

About this Policy

Responsible Official:	Vice President for Finance and Administration	Approval Authority:	President
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