

**I. INTRODUCTION**

- A.** The purpose of this Policy is to provide for institutional consistency, discipline and accountability over all funds entrusted to University stakeholders. The

### **C. Ethical and Social Standards**

1. Employees involved in any aspect of the purchasing process are responsible for adhering to the highest standards of ethics, integrity and fairness. This includes impartially evaluating bids received, not sharing pricing and terms/conditions of one bidder with any other bidders or potential bidders, and maintaining competitive pricing.
2. Employees involved in any aspect of the purchasing process must read and understand applicable University policies, including but not limited to University Policy AUDT 3.20.060 - *Conflict of Interest* and University Policy FINA 3.20.070- *Code of Business Conduct*.
3. All University purchases of goods, services, supplies, equipment or other merchandise made with University funds must be used to further its mission of teaching, scholarship, research and service. University funds may only be spent in support of a legitimate business purpose and in accordance with University policies; expenditures must be reasonable and appropriate. Purchases must not be for the personal use of University employees.

### **D. Diverse and Local Suppliers and Sustainability**

1. The University is committed to vendor, contracting, and procurement

The following thresholds determine the competition requirements:

< \$5,000	>= \$5,000 and <\$75,000	>= \$75,000 and <\$250,000	>= \$250,000
Goods and purchased services valued less than \$5,000 in the aggregate and that are not restricted from departmental purchase may be purchased directly by departments with no competition requirement.	The purchaser must solicit a minimum of two (2) (preferably three (3)) written quotations (RFQ), preferably on the supplier's letterhead. Quotes via email must include the supplier's legal name, contact name, phone, and address. Quotations must be attached to the requisition, contract, or final invoice.	For purchases exceeding \$75,000, the purchaser must submit three (3) written quotations (RFQ), preferably on the supplier's letterhead. Quotes via email must include the supplier's legal name, contact name, phone, and address. Quotations must be attached to the requisition, contract, or final invoice.	For purchases exceeding \$250,000, the purchase must go through a RFP process.

When determining the appropriate competition threshold for multi-year purchases of goods and services, the cost must encompass the life of the contract. For example, a three-year contract that costs \$25,000 per year is a \$75,000 contract and would require a formal bid process. Individuals may not split orders or transactions into multiple purchases in order to avoid the competition thresholds.

**F. Competition Exceptions**

1. When procuring goods or services on the University's behalf, purchase recommendations should be evaluated on several factors, including price, quality, delivery, service, past performance, and reliability. Consequently, certain unique goods or services are not required to be competitively bid.

Exception	Description
Art	Works of art or historical items for museum or public display
Athletics	Fees for intercollegiate athletics, conferences, game guarantees, dues, etc.







- b.** agreed upon quantity were delivered in accordance with the terms of the order/contract (warranties and returns may be affected by any delay)





compliance with this Policy.

**B. After the Fact Purchases.**

An ATF is the personal obligation of the individual who ordered the goods or services and incurred that obligation unless the ATF is reviewed and approved by University Financial Services.

**C. Taxes.**

The University is exempt from State of Colorado and local sales tax when the purchase is used for educational and charitable purposes. To receive tax exemption purchases must be delivered to a University address. The University's [tax-exempt number](#) must be provided to suppliers when making purchases.

**D. Procurement Procedures implementing this Policy are posted on the University Financial Services website.**

**IV. DEFINITIONS**

**A. "After the Fact Purchase" means:**

1. a commitment over \$5,000 made by an organizational unit before Procurement issues a purchase order. [For example, authorizing a vendor to begin work before the Procurement issues a purchase order - even though the organizational unit has submitted a requisition - is an ATF.]; and
2. obtaining goods or services on credit and subsequently submitting the invoice for payment is an ATF.

**B. "Bid" means a tender, proposal or quotation**

Examples of "contracts" that create a University Commitment are provided in the Definitions below. It being understood that such services will be valued by the amount of payment being paid to the University in return for such services. For example, if a contract states that the University will provide facilities in return for a \$5,000 payment, then the contract involves a \$5,000 University commitment.

- E. **“Diverse Business”** means a business identified as minority business enterprise (MBE), woman-owned business enterprise (WBE), or small business enterprise (SBE).
- F. **“Purchase of goods or services”** means buying, purchasing, renting, leasing, or otherwise acquiring supplies, equipment, or services.
- G. **“Request for Proposal (RFP)”** is a procedure used to solicit proposals from potential vendors for goods and services. This is the most formal solicitation practice. The RFP includes the University’s requirements for the goods and/or services and provides the terms of the solicitation and the terms upon which the services may be contracted. The process may be a single or multi-step process, depending on the complexity of the goods or services being acquired.
- H. **“Request for Quotation (RFQ)”** is a practice used generally for goods or services under a specified dollar threshold. A request is sent to vendors, along with a description of the commodity or services needed, and the supplier is asked to respond with price and other information by a pre-determined date.
- I. **“Single Source”** means a source of goods or services that may be available through other vendors, but is selected specifically in order to be compatible with existing equipment or technology, provide replacement parts, leverages existing training or expertise, or similar unique purposes. Examples of single source include the following: the source was selected under a previous competitive purchase, the source provides continuity of services, or selection of the source is based on an unforeseen, time sensitive circumstance requiring immediate attention. Purchasers are expected to understand industry standards for the manufacturing of goods, shipping and delivery estimates.
- J. **“Sole Source”** means a source of goods or services that is selected when there are no other sources reasonably capable of providing the selected goods or services. Examples of sole source circumstances includes the following: the goods or services can be purchased only from this vendor or independent contractor; the source offers unique knowledge, experience or technical capabilities; the source demonstrates a unique capability or quality not otherwise available from other sources; or is the only source with the availability of the products for the timeframe needed.
- K. **“Solicitation”** means the process of notifying prospective bidders of the

University's desire to receive bids on the specified good or service. RFQs, RFIs, and RFPs are types of solicitations. The solicitation request is normally made through email.

**V. RESOURCES**

- A. Procurement Procedures
- B. University Policy FINA 2.10.030 – *Limits of Authority*
- C. University Policy AUDT 3.20.060 – *Conflict of Interest*
- D. University Policy FINA 3.20.070- *Code of Business Conduct*
- E. University Policy FINA 2.30.016 – *Supplier Code of Conduct*
- F. University Policy FINA 2.20.070 - *Supplier Diversity and Inclusion*
- G. University Policy FINA 2.10.032 – *Contract Management*
- H. University Policy FINA 2.10.034 – *P-Cards*
- I. University Policy IT 13.10.040 – *Technology Acquisition*

<b>Revision Effective Date</b>	<b>Purpose</b>