UNIVERSITY OF DENVER	UNIVERSITY OF DENVER POLICY MANUAL PROCUREMENT	
Responsible Department: University Financial Services **Recommended By:** Associate Vice Chancellor for University Financial Services, Senior Vice Chancellor for Business and Financial Affairs **Approved By:** Chancellor	**Policy Number** FINA 2.10.033	**Effective Date** 12/11/2024

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 guiding principles of this Policy are transparency, fairness, inclusiveness, and use of a competitive process whenever it is practicable and in the University's best interest.

B. Procurement is part of University Financial Services and is the single point of contact for all centralized procurement and payment activities.

C. This Policy applies to all purchases of goods or services utilizing University-administered funds, unless the Senior Vice Chancellor for Business and Financial Affairs has granted a written exemption.

D. Externally funded grants and contracts may have more restrictive or additional requirements not addressed in this Policy. Principal investigators should review the grant or sponsors specific requirements.

II. POLICY OVERVIEW

A. Procurement is the single point of contact for centralized procurement activities. Their role is to help departments/schools make informed, best value purchasing decisions, and to make sure products and services are purchased and paid for in the most streamlined way, as well as assist departments/schools with all other purchasing and payment related issues.

B. Considerable authority has been delegated to departments and schools to make purchasing decisions. As such, the University requires that employees involved at every step of the process take full responsibility for understanding the University's policies and procedures regarding purchasing, payment, and

vendor relations.

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 RISK 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 practices that promote participation from historically underrepresented businesses. *See* University Policy FINA 2.20.070 - *Supplier Diversity and Inclusion*. When possible, departments are expected to make reasonable efforts to consider use of local or diverse suppliers.

2. Departments should also consider environmental stewardship and sustainable business practices in making purchasing decisions.

3. During an RFP or other competitive bid process, consideration shall be given to those suppliers supporting the University's interest in supporting diverse, local, and/or sustainable business. Such factors shall be considered among all other relevant factors set forth in the Purchasing Guidelines or otherwise determined on a case-by-case basis.

E. Competition Requirements

Good business practice and the responsibility for the expenditure of University funds dictate that the University follows a policy of obtaining competitive bids/quotations. In so far as practicable, purchases shall be made on the basis of competitive prices, considering quality, suitability, delivery, and service.

The following thresholds determine the competition requirements:

< $75,000	>/= $75,000 and <$250,000	>/= $250,000
Goods and purchased services valued less than $75,000 in the aggregate and that are not restricted from departmental purchase may be purchased directly by departments with no competition requirement.	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 (3)-year contract that costs $26,000 per year is a $78,000 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.
Contract amendments	Amendments to existing contracts to exercise options that were part of the original contract or part of a previously approved amendment; amendments that are within the scope of or incidental to the original contract's scope of work
Contract purchase	For goods or services purchased on an existing University, state, local, or consortium contract
Entertainment	University sponsored fairs, expositions, exhibitions, plays, or concerts
Facility rentals, including hotels and restaurants	Accommodations for conference or meeting attendees; offsite catered events

Financial and accounting services	Loans, investment banking, banking custodial services, commercial banking, financial custodial services, security services and accounting services
Legal services	Professional legal services approved in advance by the University's Vice President & General Counsel
Library materials	Educational materials and information access resources, including books, maps, periodicals, newspapers, subscriptions, online cataloging or other bibliographic library services
Licenses	Renewal of software or equipment licenses
Maintenance, equipment	When there is only one authorized or qualified source required by the manufacturer for preservation of the equipment warranty
Maintenance, software	Proprietary software maintenance
Performing artists	Professional artists such as musicians, bands, singers, etc.
Subscriptions or memberships	Professional memberships or subscriptions
Travel and entertainment	Expenses related to business travel such as hotel accommodations, transportation, meals, registration fees, etc.
Trial usage	Use of a good or service for testing or to determine suitability
Utilities	Services for which there is no competition due to sole authorizations to provide service to a geographical area, e.g., electrical, water, phone, etc.
Visiting speakers, lecturers, etc.	Services of speakers or lecturers acting as independent contractors as defined by the Internal Revenue Service (IRS)

2. Competition is not required when using an existing contract (including consortium, state, local, or University negotiated contracts) because the vendor was selected based on appropriate competition at the time the contract was awarded.

3. Individuals must practice proper financial stewardship when purchasing on behalf of the University. If contracts are generated for these items, only those individuals identified in Appendix 1 to University Policy FINA 2.10.030 - *Limits of Authority* have the authority to approve and sign these contracts on behalf of the University, subject to the limitations defined in that document.

4. Although the purchase of the above categories of goods does not require competitive bids, the contracts related to the procurement of these goods or services must comply with University Policy FINA 2.10.032 - *Contract Management*.

G. Emergency Purchases

Emergency purchases are those required to protect life and/or property, or to prevent substantial economic loss or interruption of service. These types of

purchases are rare. Formal purchasing procedures are waived, but competition should be used to the extent possible. An explanation documenting the justification for an emergency purchase must be attached to the invoice or payment request.

H. Sole Source or Single Source Purchases

1. Certain purchases may be classified as a sole source or single source purchase. This type of purchase represents a unique exception to the requirement for competition and is subject to Internal Audit review.

2. Departments seeking to obtain goods or services by means of a sole source or single source exemption must complete a Sole Source Justification Form prior to the order being placed or the contract being signed. This form documents the exceptional circumstances of the purchase. The documentation must show that a reasonable evaluation has been made and that the department's rejection of alternative vendors or solutions is based on objective and relevant criteria. Lack of planning is not a justification for a sole source or single source purchase.

I. Centralized Purchase of Specific Commodities

1. Purchases of certain goods and services are coordinated centrally to utilize the University's existing contracts to obtain the best pricing. Procurement for the items listed below is coordinated with corresponding department identified in the chart below.

Goods/Services	**Department to Contact**
Building Maintenance & Construction	Facilities
Furniture	Facilities
Technology (Hardware, Software, Peripherals)	Information Technology
Tent Rental	Events & Conferences
Vehicles (including Carts)	Facilities (Fleet Management)
Food and Beverage	Dining Services

J. Procurement Guidelines and Methods

Procurement and payment methods for goods and services are determined by dollar thresholds identified in this Policy. The table provides a breakdown of those methods:

Procurement/Payment Method	**<$5,000**	**>/= $5,000 - <$75,000**	**>/= $75,000 - <$250,000**	**>/= $250,000**
Procurement card (P-card) (a)	X			
Purchase Requisition/Purchase Order (b), (c), and (d)		X	X	X
Three (3) Quotes Required			X	
RFP				X
Sole/Single Source		X	X	X
Payment by Invoice or Check Request	X	X	X	X

Footnotes:

a) *See* Paragraph M below, University Policy FINA 2.30.034-*P-Card*, and the Purchasing Card Guidelines for guidance on appropriate use of P-Cards (e.g. P-Cards may not be used to purchase computers and peripherals).

b) Any goods and/or services can be processed on a Purchase Order (PO) if needed; however, capital equipment *must be* processed on a purchase order.

c) Changes to the scope or amount of a purchase order must be reviewed and processed by Procurement. Changes may require additional approval(s) over and above what was required for the original purchase order (e.g., approval based on increased dollar value).

d) Grant purchases must follow the purchasing thresholds published in the OMB Uniform Guidance.

K. Receipt of Goods and Services

1. The University requires the timely receipt and verification of goods and services purchased with funds administered by the University. Ordering departments are expected to verify the following within thirty (30) days of receipt of the goods and or services, and prior to payment:

a. goods are received in acceptable condition (i.e., free of defects); and

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

2. Services rendered have been delivered in accordance with the terms of the order or contract.

L. Signature Authority

1. Only individuals identified in University Policy 2.10.030 – *Limits of Authority* have the authority to approve and sign contracts on behalf of the University, subject to the limitations defined in that document. This individual is guaranteeing payment and the contract terms on behalf of the University. Any such individual who attempts to obligate the University without such authority will be subject to disciplinary action up to and including termination.

2. University Policy FINA 2.10.032 - *Contract Management* establishes parameters for managing the risks associated with binding contractual agreements.

3. Contracting authority differs from payment approval. Designated personnel who are in a position to know that the goods were received, or the services were performed may authorize payments made under an appropriately approved contract.

M. P-Card

Purchases made using a P-Card are subject to University Policy FINA 2.10.034 – *P-Card ("P-Card Policy")*. It is the responsibility of the administrative head of the ordering unit or their designee to confirm that purchases initiated by departmental staff are made in accordance with the P-Card Policy as well as this Policy. Violation of either policy may result in the loss of the P-Card privilege for the offending P-Cardholder, and may lead to additional administrative or disciplinary action, including termination and/or prosecution.

III. PROCESS OVERVIEW

A. Roles and Responsibilities

1. Responsibilities of University Purchasers

University purchasers are responsible for the following:

a. Determining the appropriate procurement method for the prospective purchase, as described in this Policy;
b. Securing the appropriate quotes and providing them to Procurement for purchases requiring competitive bidding;
c. Identifying vendors for formal solicitations;

d. Engaging diverse businesses, when appropriate and/or available;
e. Engaging in environmentally preferred purchasing, when available and meets requirements;
f. Seeking the best price, quality, delivery and service that meets the purchase requirements;
g. Verifying receipt of goods or services before submitting payment requests.

2. Responsibilities of Principal Investigators (PI)

Grant PIs have the same responsibilities as listed for University Purchasers, above. In addition, the PI must adhere to the procurement standards in OMB Uniform Guidance for goods and services purchased with federal funds, as well as any terms or conditions specified as part of the grant award.

3. Responsibilities of Procurement

Procurement is responsible for overseeing the procurement of goods and services for the University through:

a. Developing and maintaining University procurement standards;
b. Serving as a resource for the procurement of goods and services;
c. Assisting departments with their procurement needs;

d. Determining the appropriate procurement process;
e. Building and maintaining relationships with vendors who service the University;
f. Engaging in environmentally preferred purchasing, when available and meets requirements; and
g. Assisting departments with identifying diverse suppliers.

4. Responsibilities of Accounts Payable

The Accounts Payable Office is responsible for reviewing payment requests prior to processing to confirm:
a. All required signatures are on the request;
b. Index and account coding is on the request;
c. Payment is reviewed and processed within the payment terms; and

5. Responsibility of Internal Audit

Internal Audit is responsible for providing periodic reviews to evaluate 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 submitted in response to a solicitation from a contracting authority.

C. "Capitalized equipment" refers to furniture, fixtures, and equipment with a unit acquisition cost of $5,000 or greater and a useful life in excess of one year.

D. "Contract" is any binding commitment by or on behalf of the University, either oral or written, regardless of the title of the operative document or documents. For purposes of this Policy, the term "Contract" includes, but is not limited to contracts, agreements, leases, memoranda of understanding ("MOU's"), gift agreements, mutual aid agreements, settlement agreements, resolution agreements, letter agreements, and binding letters of intent. A commitment means, in addition to any financial commitment, any obligation to provide services, performance, information, or property (whether tangible or intangible). 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 a minority business enterprise (MBE), woman-owned business enterprise (WBE), small business enterprise (SBE), veteran-owned business enterprise, or labor surplus area firm.

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 RISK 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*

J. University Policy ORSP 1.10.071 – *Suspension and Debarment*

Revision Effective Date	**Purpose**
4/5/2024	*Minor clarifications to update links and remove outdated references*
8/28/2024	*Updates to align policy with practice*
12/11/2024	*Minor clarification to align definition of Diverse Business with Code of Federal Regulations.*