



Purchasing & Accounts Payable

SALT LAKE COMMUNITY COLLEGE

SLCC Purchasing Rules and Guidelines

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Department Purpose

The Purchasing & Accounts Payable (P&AP) department includes Purchasing, Purchasing Card, Accounts Payable, and Travel. Our department is responsible for overseeing and processing the procurement and payment of supplies, services, and construction.

Purchasing

Purchasing is responsible for the procurement of all supplies, services, and construction required by Salt Lake Community College and all its departments on all campuses. The most important function of Purchasing is to serve other campus departments and help them obtain the supplies and services they need to effectively serve our students.

It is our mission to:

- Acquire supplies and services in a timely and economical basis;
- Assure compliance with all applicable state and federal laws and College regulations during the procurement process;
- Provide assistance, consultation, and advice regarding all procurement needs of the College.

Accounts Payable

Accounts Payable (A/P) performs general finance and accounting tasks related to reviewing and processing invoices, including payment requests and PO invoices, reconciling statements, etc.

Travel

The Travel Office is responsible for managing the travel process for the College. This includes, monitoring pre-approvals, helping employees book travel, training employees on travel policies and procedures, auditing and approving travel expense reports, and other travel-related tasks.

Governing Laws, Rules, and Policies

The purchasing process is governed by a variety of laws, rules, and policies. This includes, but is not limited to, the following:

Federal Laws

- [2 C.F.R. § 200 - Grants and Agreements](#)
- [15 U.S.C. §§ 1-7](#) – Sherman Antitrust Act
- [15 U.S.C. §§ 41-58](#) – Federal Trade Commission Act
- [15 U.S.C. §§ 12-27](#) – Clayton Act

State Laws

- [Utah Code Ann. § 63G-6a - Utah Procurement Code](#)
- [Utah Code Ann. § 63G-2 – Government Records Access and Management Act](#)
- [Utah Code Ann. § 67-16 - Utah Public Officers' and Employees' Ethics Act](#)
- [Utah Code Ann. § 76-8-103 - Bribery or Offering a Bribe](#)
- [Utah Code Ann. § 76-8-105 - Receiving or Soliciting Bribe or Bribery by Public Servant](#)
- [Utah Code Ann. § 63A-5b-604 – Design and Construction](#)

State Rules

- [R765-571a - Procurement \(USHE\)](#)
- [R23 - Facilities Construction and Management](#)
- [R33 - Purchasing](#)

College Policies

- [College Procurement](#)
- [Travel Reimbursement](#)
- [Records Management](#)
- [Employee Conduct](#)
- [Conflict of Interest](#)
- [Contract Review and Signatory Authority](#)

College Rules and Guidelines

- [Contract Review and Signature Authority Rules](#)
- [Small Dollar Purchase Guidelines](#)
- [P-Card Procedures Manual](#)
- [Purchases that Require Pre-Approval](#)
- [Purchasing Violation Guidelines](#)
- [Payment Request Guidelines](#)
- [Expense Reimbursement Guidelines](#)
- [Communication Plan Guidelines](#)
- [Simple Service Contract Guidelines](#)
- [Employee Gift Card Guidelines](#)
- [SLCC Standard Technologies](#)
- [SLCC Technology Approval and Prioritization Process](#)

CODE OF ETHICS

Purchasing Services employees must discharge their duties impartially so as to assure fair competitive access to College procurement by responsible contractors. They should conduct themselves in such a manner as to foster public confidence in the integrity of Purchasing Services and the College. Other College employees delegated specific purchasing authority shall also abide by this Code of Ethics.

The staff of Purchasing Services shall:

- Uphold fiduciary and other responsibilities using reasonable care and granted authority to deliver value to the College.
- Know and obey the letter and spirit of laws, regulations, and policies applicable to procurement of goods and services.
- Utilize transparent decision-making processes.
- Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation, and promote positive supplier and customer relationships.
- Grant all competitive suppliers equal consideration insofar as Federal or State statute and College policy permit.
- Prevent the intent and appearance of unethical or compromising conduct in relationships, actions, and communications.
- Ensure that any personal, business, or other activity does not conflict with the lawful interests of the College.
- Handle each administrative problem objectively and empathetically, without discrimination.
- Protect confidential and proprietary information.
- Prevent the use of confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.
- Identify and eliminate participation of any individual in operational situations where a conflict of interest may be involved.
- Avoid improper reciprocal agreements.
- At no time, or under any circumstances, accept directly or indirectly, gifts, gratuities, or other things of value from suppliers, which might influence or appear to influence purchasing decisions.

State Purchasing Rule Adoption

In accordance with the Utah Procurement Code and R765-571a, the College sets forth the rules enclosed herein to implement the regulations outlined in code. The College adopts the Administrative Rules listed below. Rules contained herein superseded any conflicting rule listed in the Administrative Rules. All other Administrative Rules are not adopted.

The following Administrative Rules are Adopted:

- R33-101
- R33-104
- R33-107-104
- R33-107-105
- R33-107-105.5
- R33-107-106
- R33-107-107
- R33-107-501.5
- R33-107-703 (Except (2)(d))
- R33-107-705
- R33-107-802
- R33-107-900
- R33-115

Purchasing Thresholds

This section outlines the established purchasing thresholds required by College policy. These thresholds apply to the full cost of a procurement, including shipping and other charges. It is unlawful to split or divide a procurement into smaller procurements with the intent to circumvent any established threshold. These thresholds apply to all procurements except 1) procurements made against an established contract, 3) procurements listed in the Payment Request Guidelines, and 2) procurements for resale items for resale operations approved by Purchasing & Accounts Payable. These thresholds do apply to procurements that are purchased by one College department with the sole intent of reselling to another College department.

Small Dollar Purchase Threshold: threshold under which departments may procure supplies and services in accordance with the Small Dollar Purchase Guidelines. Orders over this threshold, except those listed in the Payment Request Guidelines, must be purchased with a purchase order or contract.

- \$2,500

Small Dollar Bid Thresholds: thresholds over which an informal procurement process must be completed. All procurements under the Small Dollar Bid Threshold and over the Small Dollar Purchase Threshold may be placed directly with a vendor at the discretion of Purchasing. Purchasing may bid procurements under the Small Dollar Bid Threshold if it would be in the best interest of the College.

- \$100,000 – Procurements from an approved vendor list
- \$50,000 – Professional Services*
- \$50,000 – Enterprise software**
- \$50,000 – Construction
- \$15,000 – Facility & Vehicle Repair***
- \$5,000 – All other supplies and services

Large Dollar Bid Thresholds: thresholds over which a formal procurement process must be completed.

- \$100,000 – Professional Services*
- \$100,000 – Enterprise Software**
- \$100,000 – Construction
- \$50,000 – All other goods and services

Procurements for construction will be in accordance with applicable DFCM Procurement Rules.

All procurements for Design Professional Services, as defined in the Utah Procurement Code, which includes architects and engineers, will be in accordance with Utah State Procurement Rules R33, including thresholds and procedures. SLCC reserves the right to utilize pre-approved vendor lists established by Utah State Purchasing or the Utah Department of Facilities and Construction Management.

* “Professional services” is defined as a service that requires a high degree of specialized knowledge and expertise including, but not limited to:

- legal services
- consultation services
- architectural services
- engineering
- design
- underwriting
- bond counsel
- financial advice
- construction management
- medical services
- psychiatric services
- counseling services
- art
- performers
- speakers
- software design and programming
 - does not include customization of ready-made, commercially available software

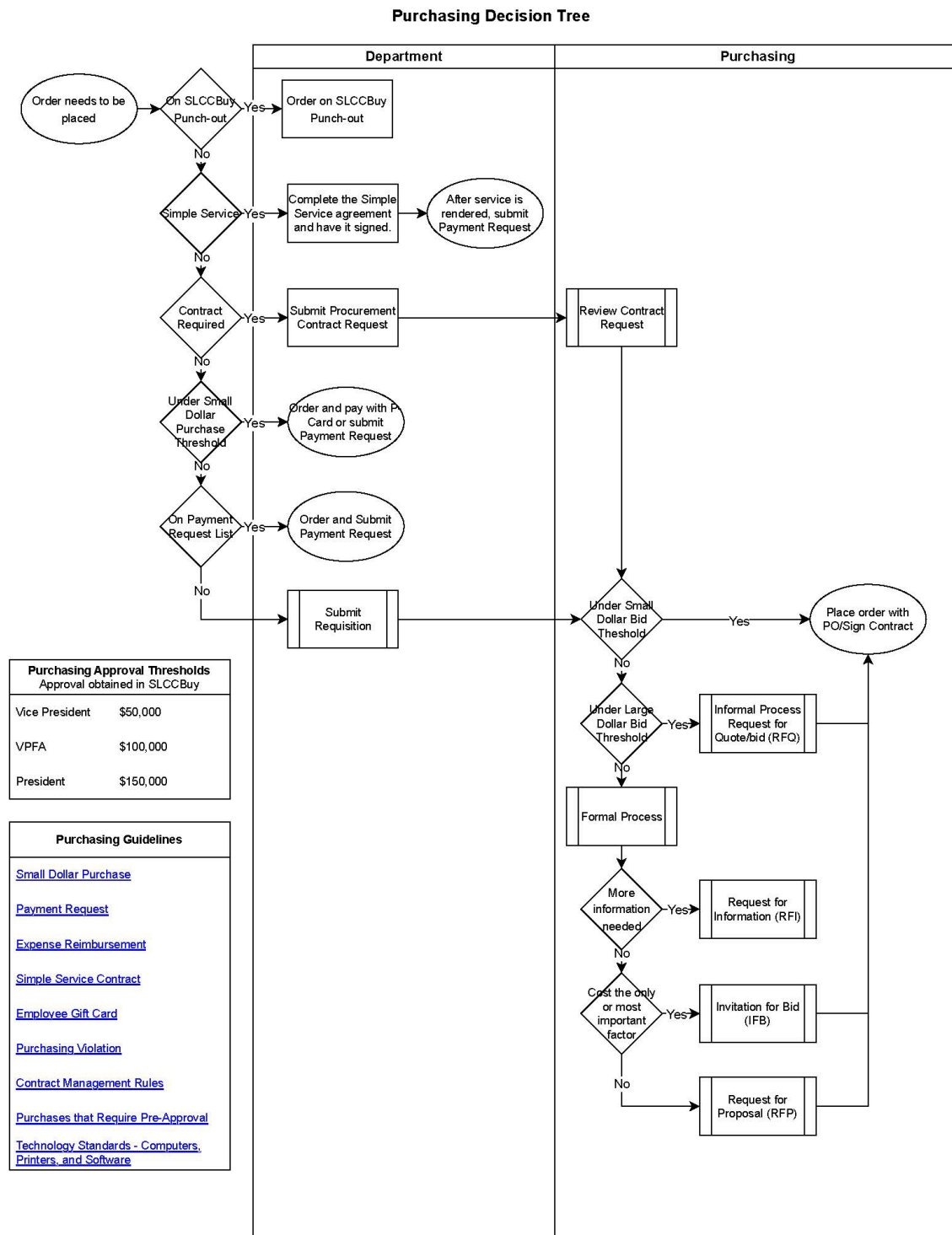
** “Enterprise software” is defined as computer software used to satisfy the needs of the College, not just individual users or departments. Software that satisfies the needs of more than one department may be considered enterprise software.

*** “Facility Repairs” is defined as the repair of buildings, HVAC, water, sewer, electrical, and other utilities. It also includes any repair of equipment needed for the safe operation of facilities.

Delegation of Purchasing Authority

The Director may delegate purchasing authority, including procurement contract signatory authority, to a department or individual outside of purchasing for specific commodities or purposes. The delegation shall include the commodity, process, purpose, and other details and shall be kept on file by the Director.

Purchasing Flowcharts



Purchasing Systems

Purchase and Payables

SLCCBuy is the College's electronic Procure-2-Pay system. SLCCBuy is used to place orders with contracted vendors and to submit requisitions (non-catalog items), payment requests, and mileage reimbursements.

- [SLCCBuy -Prod](#)
- [SLCCBuy Test](#)
- [SLCCBuy Test-Local](#)

Travel

Chrome River is an online expense management solution that manages all Travel and Purchasing Card Transactions.

- [Chrome River](#) – Prod
- [Chrome River QA](#)

Lightning is an online booking tool that travelers can use to book their own airfare, hotel, and rental cars.

- [CTM](#)

Banner

Banner is the Enterprise Resource Planning (ERP) system used by SLCC.

- [Banner](#) – Prod
- [Banner Test](#) – PPRD (test database connected to SLCCBuy Test and Chrome River QA)

Evisions/Intellecheck

Evisions Intellecheck is the system used to process checks and direct deposit advice. It is utilized during the check run.

- [eVisions](#) – Prod
- [eVisions Test](#)

Other Systems

- [USBank](#) – Used for purchasing card administration
- [eRetrieve](#) - Used for document storage and forms
- [USBank Prepaid](#) - Used for pre-paid per diem cards for student travel
- [Cognos](#) – College's reporting software
- [TINCheck](#) – Used to verify vendor EIN and OFAC checks

Departmental Rules and Procedures

This section includes various purchasing rules required by law and policy. It also includes various procedures. Any deviation from these rules and procedures requires approval from the Director of Purchasing & A/P.

Procurement Methods

There are various procurement methods available for different types of procurements. Procurements under the large dollar bid threshold may utilize an informal process, while procurements over the large dollar bid threshold must use a formal process. Procurements made utilizing a recognized contract do not require an informal or formal process. The total cost to obtain a product/service should be considered when determining the appropriate procurement method. Buyers have discretion to determine the appropriate procurement method based on these rules and procedures. They may consult with the Director as needed.

Informal processes

Informal procurement processes are used for purchases under the large dollar bid threshold.

Direct Award

Procurements may be made by direct award for the following:

- Procurements under the small dollar bid limit
- Products/services available on a recognized contract
- Products/services listed in the Payment Request Guidelines
- OEM products and maintenance where competition is not feasible or reasonable as determined by the Buyer and Director
- Additional or piggy-back purchase on a current contract

Request for Quote (RFQ)

A request for quote is an informal process where quotes/bids are requested from vendors. A minimum of two vendors should be solicited, however three are recommended. Quotes may be obtained by departments. Buyers must evaluate the quotes and ensure that they are valid and competitive before accepting them. Buyers may use their own discretion on whether additional quotes should be obtained. When obtaining quotes, requestors should ensure that all vendors are provided the same information and are providing a quote for like products/services. Quotes directly from websites may also be used at the buyer's discretion. When obtaining quotes, care should be taken to ensure that pricing from one company is not provided to another company (bid shopping) and that all vendors are provided with the same information. The process used must be open and fair.

Small Dollar Sole Source (SDSS)

A procurement that is not available on a contract, is over the small dollar bid threshold, and under the large dollar bid threshold may be completed as a sole source if the product/service is feasibly, reasonably, or actually available from only a single source. The buyer must include a justification statement on the requisition. The buyer may require a sole source form be completed by the department. These sole source justifications do not need to be posted publicly. However, they may be published at the discretion of the Buyer.

Alternative Procurement Methods

When it is determined to be more practical or advantageous to the College, a buyer may utilize alternative procurement methods to complete small-dollar procurements for which a standard procurement method is not reasonably practical. The alternative procurement method may be a modification of a standard procurement method outlined in these guidelines or may be another method appropriate to the situation. Commodities that may require an alternative procurement method include, but are not limited to:

- Used equipment
- Used vehicles
- Professional services
- Enterprise software
- Livestock
- Musical instruments

The purpose of the procurement should be to award a contract to the vendor that provides the greatest value and/or best meets the needs of the College. When making the determination to utilize an alternative procurement method, the buyer should take into consideration:

- Whether the potential cost of preparing, soliciting, and evaluating bids or proposals is expected to exceed the benefits normally associated with such solicitations.
- If the procurement item cannot be acquired through a standard procurement process.
- If the price of the procurement item is fair and reasonable.

When utilizing an alternative procurement method, a contract need not be awarded to the low cost solution. The buyer may utilize other criteria to determine the best valued solution. The buyer must ensure that no opportunity for bid shopping or auction tactics exist.

Formal processes

A formal procurement process is required when procuring a product or service is not available on a recognized contract and the total amount exceeds the large-dollar bid threshold. The process used must be in compliance with the Utah State Procurement Code. Any criteria utilized must be outlined in the solicitation documents. Buyers must maintain a fair and equitable process when conducting a formal procurement process. All formal procurements must be advertised on the SLCC website or through the online bidding system.

Invitation for Bid (IFB)

This process is used when cost is the sole determining factor. Objective criteria may be used as part of the evaluation of bids as long as they are disclosed in the solicitation documents. Buyers may use an RFSQ to pre-qualify potential bidders and/or products/services. Contracts are awarded to the lowest bidder that meets all provided criteria. A copy of the terms and conditions that will govern the resulting contract shall be included in the solicitation. Exceptions and/or additions to the terms and conditions may be made by the Director, who may seek counsel from General Counsel and approval from executive management. Such exceptions will only be made if they are in the best interest of the College and as long as the changes or additions would not have affected the price of another bid should they have been considered. IFBs may be completed in multiple stages.

Request for Proposal (RFP)

This process is used when cost is not the sole determining factor, rather one of multiple criteria that must be considered when determining the best value solution. Objective criteria may be used to pre-qualify a vendor or solution. In this process, a statement of needs and/or scope of work is provided to vendors outlining the needs of the institution and the requirements that need to be met, and a request for proposals from vendors is made. Subjective criteria, not including cost, is used to evaluate vendor's technical proposals. Cost for the proposals meeting the needs of the institution according to the technical evaluation is then evaluated to determine the best value solution. Buyers must ensure that all requirements outlined in the Utah Procurement Code are met while performing these procurements.

Supplementary Procurement Processes

Request for Supplier Qualifications (RFSQ)

This process may not be used to award contracts. Rather this process may be used as a supplemental process to pre-qualify vendors for future solicitations. It may also be used to form an approved vendor list.

Approved Vendor Lists (AVL)

An approved vendor list is a list of vendors who have gone through an RFSQ process and found to be qualified to provide a service. Approved vendor lists may be used to direct award a procurement under \$100k. They may also be used to restrict participation in a solicitation.

SLCC utilizes AVLs published by the State of Utah Division of Purchasing and the Department of Facilities and Construction Management.

When utilizing an approved vendor list, care must be taken to prevent favoritism, such as a rotation system, selecting 2-3 and obtaining quotes, selection based on location, selection based on

expertise, or other method. The rules for using an AVL are setup as part of the RFSQ and must be followed.

Sole Source (SS)

A sole source procurement method is an exception to a standard procurement process. This process requires a justification outlining why the specific product or service is needed and why it must be purchased from the selected vendor. The justification must satisfy one of the following criteria:

- Availability
 - Only product on the market
 - Only product that meets the need and only vendor that provides the product in our region
- Compatibility
 - Only product compatible with currently owned equipment
 - Additional equipment needed to match currently owned equipment
- Transitional cost
 - Continuing payment for on-going contract where the cost to switch to a new solution and the cost to complete a solicitation exceeds any potential savings for switching to a new product.

Emergency Procurements

An emergency procurement is the procurement of a good and/or service that is needed to prevent, repair, remediate, or react to a situation that threatens the health and safety of people or property. Competition should be sought when possible. Any emergency procurement exceeding the large-dollar procurement threshold must be publicly posted within 14 days. An emergency procurement contract cannot exceed 30 days except as outlined in the Procurement Code.

Construction Procurement

ARCHITECTS/ENGINEERS

The State of Utah Division of Purchasing and General Services conducted a Request for Statement of Qualifications that resulted in the state's list of prequalified Architectural and Engineering (A/E) service firms that are preapproved for A/E projects less than \$100,000.

SLCC may use the state A/E list for SLCC's small projects costing less than \$100,000. To use the state A/E list, selection must be qualifications-based, per the following **instructions**:

- 1) For A/E services estimated to cost less than \$100,000, Facilities must select a minimum of three (3) service firms to be evaluated from the current state prequalification list:
<http://purchasing.utah.gov/ae/documents/archexpertise.pdf>
- 2) Facilities will conduct an evaluation of selected firms' technical qualifications, and decide which firm is best qualified relative to the project. Price is NOT a deciding factor and must not be part of the evaluation.
- 3) Facilities must document the following requirements in writing, and submit the written documentation for review to Purchasing Services:
 - a. Names of the firms from the state Prequalified List that Facilities evaluated;
 - b. name of the firm Facilities selected;
 - c. Why Facilities believes the selected firm is the best qualified for the project;
 - d. Facilities' cost estimate for the A/E service; and,
 - e. A request for approval to negotiate price with the selected firm.
- 4) Purchasing Services will notify Facilities of the approval outcome. If approved, Facilities will conduct price negotiations with the selected firm. If the price is successfully finalized, Facilities will enter a requisition for the A/E services at the agreed price, and Purchasing Services will issue a purchase order.

If the cost negotiation is unsuccessful, Facilities must submit written documentation to Purchasing Services requesting written approval to negotiate with the firm determined to be the next most qualified for the project.

A/E Large Projects OVER \$100,000

The "A/E Prequalified List of Firms for Small Projects" cannot be used for Large A/E projects exceeding the \$100,000 limit; there is no provision for exceptions.

A buyer must complete a formal process as outlined in the Utah Procurement Rules.

BONDS

Bid Securities

1. Invitations for Bids and Requests for Proposals for construction contracts estimated to exceed the Large-Dollar Purchase Threshold shall require the submission of bid security in an amount equal to at least 5% of the bid, at the time the bid is submitted. If a contractor fails to include the required bid security with its bid, the bid shall be deemed non-responsive and ineligible for consideration of award.
2. Acceptable bid security shall be limited to:
 - (a) A bid bond in a form satisfactory to the College underwritten by a company licensed to issue bid bonds in this State;
 - (b) A cashier's, certified, or official check drawn by a federally insured financial institution; or
 - (c) Cash.
3. If acceptable bid security is not furnished, the bid shall be rejected as non-responsive, unless the failure to comply is determined by the buyer to be non-substantial. Failure to submit an acceptable bid security may be deemed non-substantial if:
 - (a) The bid security is submitted on a form other than the required bid bond form and the bid security meets all other requirements including being issued by a surety meeting the requirements; and
 - (b) The contractor provides acceptable bid security by the close of business of the next succeeding business day after Purchasing Services notified the contractor of the defective bid security; or
 - (c) Only one bid is received, and there is not sufficient time to re-solicit; or
 - (d) The amount of the bid security submitted, though less than the amount required by the Invitation for Bids, is equal to or greater than the difference in the price stated in the next higher acceptable bid; or
 - (e) The bid guarantee becomes inadequate as a result of the correction of a mistake in the bid or bid modification if the bidder increases the amount of guarantee to required limits within 48 hours after the bid opening.
4. If the successful bidder fails or refuses to enter into the contract or furnish the additional bonds required, then the bidder's bid security is forfeited.

Performance Bonds

1. A performance bond is required for all construction contracts in excess of \$50,000, in the amount of 100% of the contract price. The performance bond shall be delivered by the contractor to Purchasing Services within fourteen days of the contractor receiving notice of their award of the construction contract. If a contractor fails to deliver the required performance bond, the contractor's bid shall be rejected, its bid security shall be enforced, and award of the contract shall be made to the next lowest responsive and responsible bidder.
2. A performance bond may be required on any non-construction contract the buyer deems necessary to guarantee the satisfactory completion of a contract provided:
 - (a) The Invitation for Bids or Request for Proposals contains a statement that a performance bond is required in an amount:

- (i) Equal to the amount of the bid; or
 - (ii) Equal to the project budget or estimated project cost, if the budget or estimated project cost is published in the solicitation documents; or
 - (iii) Equal to the previous contract cost, if the previous contract cost is published in the solicitation documents.
- (b) The Invitation for Bids or Request for Proposals contains a statement that a performance bond, in an amount less than the amounts contained in (a), is required.
- (c) The Invitation for Bids or Request for Proposals contains a detailed description of the work to be performed for which the performance bond is required.
- 3. Performance Bonds should not be used to eliminate competition or be of such unreasonable value as to eliminate competition.

Payment Bonds

- 1. A payment bond is required for all construction contracts in excess of \$50,000, in the amount of 100% of the contract price. The payment bond shall be delivered by the contractor to Purchasing Services within fourteen days of the contractor receiving notice of their award of the construction contract. If a contractor fails to deliver the required payment bond, the contractor's bid shall be rejected, its bid security shall be enforced, and award of the contract shall be made to the next lowest responsive and responsible bidder.

Bond Forms.

- 1. Bid Bonds, Payment Bonds, and Performance Bonds must be from sureties meeting the requirements below and must be on the exact bond forms most recently adopted by the State Building Board and on file with Purchasing Services.
- 2. Surety firm requirements. All surety firms must be authorized to do business in the State of Utah and be listed in the U.S. Department of the Treasury Circular 570, Companies Holding Certificates of Authority as Acceptable Securities on Federal Bonds and as Acceptable Reinsuring Companies for an amount not less than the amount of the bond to be issued. A co-surety may be utilized to satisfy this requirement.
- 3. The buyer may accept bid bonds on forms provided by appropriately licensed sureties.

Waiver of Bonding Requirements.

- 1. The buyer, with approval from the Director, may waive the bonding requirements on any project if it is determined, in writing, that bonds cannot reasonably be obtained for the work involved.
- 2. The buyer may elect not to require a Bid, Performance, or Payment Bond if the estimated total procurement does not exceed the Large-Dollar Procurement Threshold.

CONSTRUCTION

Construction is the process of building, renovating, altering, improving, repairing, or demolishing any College structure or building, major developmental work, or landscaping of College real property. It does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

1. Construction purchases under the Small-Dollar Bid Threshold may be placed at the discretion of Facilities.
2. Construction purchases under the Large-Dollar Bid Threshold and over the Small-Dollar Purchase threshold shall follow the RFQ procedures outlined herein.
 - a. An approved vendor list may be used for procurements under the Large-Dollar Purchase Threshold.
3. All construction purchases over the large-dollar purchase threshold will be made in accordance with the Utah Procurement Code Parts 11 and 13 and the rules and guidelines of the Department of Facilities and Construction Management (DFCM). This includes requiring bid, payment, and performance bonds and including all applicable terms and conditions for all solicitations and contracts for construction.
4. Architect and Engineering services will be procured in accordance with the Utah Procurement Code Part 15 and all applicable State Procurement rules.

Other Rules

Tie Bids

In the case of a tie bid, the award will be determined by using one of the following methods:

- Award to a provider of State products.
- Award to the bidder closest to the place of delivery (proximity).
- Award to the bidder who received the prior bid award.
- Award to the bidder who will provide the earliest delivery date.
- Award by drawing lots.
- Award by any other reasonable method.

The purchasing agent will provide a written justification statement for selecting the method used.

Cooperative Purchasing

The College is a member of the cooperative purchasing organizations listed below. A Cooperative Purchasing Agreement does not need to be completed for solicitations issued by these organizations.

- NASPO ValuePoint
- E&I Cooperative Services
- Omnia Partners
- Sourcewell
- RFXPremier
- Equalis Group

The College may participate in a cooperative purchasing process with other entities if the procurement is performed in accordance with the Utah Procurement Code. A buyer must have the approval of the Director before participating in a cooperative purchasing process.

If the College will act as the lead, the following procedures should be followed:

1. The buyer should draft a document outlining the role that each entity will play in the purchasing process.
2. The buyer must state in the solicitation document that the procurement is a cooperative procurement and provide all required information in the solicitation about all participating entities. Each participating entity must be named in the solicitation.
3. The buyer must select one of the following contracting processes:
 - a. A master agreement is formed by the College and each participating entity must sign a participating addendum directly with the awarded vendor.
 - b. Each participating entity must negotiate and sign a contract directly with the awarded vendor.
4. The solicitation must state which contracting process will be used.
5. The buyer should keep all other entities informed of the status of the solicitation and contracting process.

If the College is not the lead, the following procedures should be followed:

1. The buyer should inform the lead of the level of involvement SLCC will have in the process.
2. The buyer should review the solicitation document that is prepared by the Lead to ensure that the College is named in the solicitation and that all requirements of the College are included.
3. Upon award, the buyer should negotiate with the awarded vendor to sign a participating addendum or contract.

Pre-Payments

A pre-payment is any payment that is made prior to supplies being received or services being rendered. Pre-payments include deposits and installment payments. All pre-payments made using a Purchasing Card are allowed, regardless of commodity type. All purchasing card guidelines must be followed.

Pre-payments, other than those made with a P-Card, are not allowed except as outlined below. The Director may make other exceptions as needed. Such exceptions must be writing.

Installment Payments

Installment payments may be allowed if the buyer determines, in writing, that the use of installment payments are in the best interest of the College, are not being used as a method of avoiding budgetary constraints, and the department has received all required budgetary approvals.

The use of installment payments should be spelled out in a contract with the vendor, including the amount to be paid, the frequency of payments, and how the delivery of supplies and/or services will be monitored.

At a minimum, 10% of the total contract amount should be withheld until the project has been completed and approved.

Deposits

Deposits may be allowed up to 50% of the total contract amount. A higher deposit may be authorized by the Director. The buyer should use their judgment in determining whether a deposit is necessary. The buyer may negotiate the deposit amount or the need for a deposit with the vendor. Deposits are appropriate for rentals or reservations. Departments must obtain the appropriate budgetary approvals for the entire contract amount, including the deposit. It is preferred that departments enter a requisition for the entire contract with the deposit as a separate line.

Check Holding

Printing a check prior to supplies being delivered or services rendered to allow a department to hand it to the vendor upon completion is not appropriate. Exceptions may be made by the Director.

Vendor-required Pre-Payments

If a vendor is requiring a pre-payment, the buyer should work with the vendor to see if a deposit would be accepted. If a deposit is rejected, the buyer should seek other sources to procure the needed commodity. If no other source is available, or if the College will receive an identifiable benefit by prepaying (such as reduced costs, additional items, early delivery, better service, or better contract terms) and the requisitioning department agrees in writing to the liability of

prepaying, the buyer may authorize a pre-payment. Pre-payment should be made using a purchasing card whenever possible.

Other Exceptions

The following procurements may be prepaid and do not require a written justification:

- Software subscriptions
- Subscriptions
- Conferences
- Maintenance agreements
- Procurements under the Small Dollar Purchase Threshold

Receipt Required

- All purchase orders have receipt required by default. The buyer should use caution when determining whether to remove receipt required from a purchase order. Removing receipt required means that receiving will not need to be entered before a check is cut. Receipt Required may be removed in instances where nothing will be received. Standing POs do not require receiving. Receipt is verified by Accounts Payable prior to paying an invoice. Below is a list of example commodity types that may have Receipt Required removed. This list is not a blanket authorization to remove receipt required.
 - Conferences
 - Memberships
 - Subscriptions
 - Maintenance agreements (including hardware and software).
 - Software licenses for which SLCC has a license agreement, including license renewals.

Performance Bond

The buyer may choose to require a performance bond in an amount up to 100% of the prepayment amount. The performance bond must be delivered to Purchasing Services prior to the time the contract is executed or a purchase order is issued. Performance bonds must be from sureties meeting the requirements listed in the Bonds section. If a contractor or vendor fails to deliver a required performance bond, the order may be canceled.

Records Retention

1. The College shall keep all records related to all procurements where the expenditure is \$100 or more.
2. All procurement records will be kept in accordance with the applicable schedule.
 - a. Purchasing Records (GRS 16595) – 7 Years
 - b. Bids/RFPs (GRS 1991) – 6 Years
 - c. Canceled Solicitations (GRS 1976) – 4 Years
 - d. Contracts (GRS 1731) – 7 years after expiration
 - e. Approved Vendor Lists (GRS 1975) – 1 year after being superseded
3. Procurement records related to a multi-year contract will be kept for the duration of the contract and seven years beyond the expiration.
4. Records may be kept in physical or electronic format.

Request For Information (RFI)

The purpose of an RFI is to obtain information, comments, or suggestions from potential bidders before issuing a solicitation. It can also be used to determine whether a solicitation should be issued or to generate interest in a future solicitation. RFIs are not considered a procurement process, but an information gathering process.

An RFI may be used to gather information for an IFB or RFP for an unfamiliar or complex procurement, to determine market availability, industry standards, or specifications, or to generate interest in a potential IFB or RFP. RFIs are not binding and cannot result in a contract.

Information obtained through this process is protected and will not be made public.

Re-Solicitation

Re-solicitation may occur only if the Director has determined that:

1. A material change in the scope of work or specifications has occurred;
2. Procedures outlined in the procurement code were not followed;
3. Additional public notice is desired;
4. There was a lack of adequate competition; or
5. Other reasons exist that are in the best interest of the College.

Re-solicitation may not be used to avoid awarding a contract to a qualified vendor or in an attempt to steer the award of a contract to a favored vendor.

Specifications

The following guidelines regarding specifications apply to IFBs, MSBs, and RFPs. For information about preparing specifications and/or scopes of work, see the Preparing Specifications and Scopes of Work document.

1. Specifications shall be drafted with the objective of clearly describing the College's requirements and encouraging competition.
 - (a) Specifications shall emphasize the functional or performance criteria necessary to meet the needs of the College.
 - (b) Restrictive specifications shall be avoided. The buyer should ensure that no restrictive specifications are used.
2. Persons with a conflict of interest or who anticipate responding to the solicitation for which the specifications are written, may not participate in writing specifications. The College may retain the services of a person to assist in writing specifications, scopes of work, requirements, qualifications, or other components of a solicitation. However, the person assisting in writing specifications shall not be employed by, in any capacity, nor have an ownership interest in, at any time during the procurement process, an individual, public or private corporation, governmental entity, partnership, or unincorporated association bidding on or submitting a proposal in response to the solicitation.
 - (a) Violations of this Rule may result in:
 - (i) The bidder or offeror being declared ineligible for award of the contract;
 - (ii) The solicitation being canceled;
 - (iii) Termination of an awarded contract; or
 - (iv) Any other action determined appropriate by the Associate Director or Director.
3. Brand Name or Equal Specifications.
 - (a) Brand name or equal specifications may be used when:
 - (i) "Or equivalent" reference is included in the specification; and,
 - (ii) As many other brand names as practicable are also included in the specification.
 - (b) Brand name or equal specifications shall include a description of the particular design and functional or performance characteristics which are required. Specifications unique to the brands shall be described in sufficient detail that another person can respond with an equivalent brand.
 - (c) When a manufacturer's specification is used in a solicitation, the solicitation shall state the minimum acceptable requirements of an equivalent. When practicable, the procurement unit shall name at least three manufacturer's specifications.
 - (d) This section is applicable only to IFBs and RFPs.
4. Brand Name Sole Source Requirements.
 - (a) If only one brand can meet the requirement, the buyer shall provide a written justification and solicit from as many providers of the brand as practicable; and
 - (b) If there is only one provider that can meet the requirement, the procurement unit shall conduct the procurement in accordance with Sole Source guidelines.

Trade-Ins

If a procurement will include a trade-in, the following procedures should be followed:

1. If the procurement will be made as a result of a solicitation, it must state in the solicitation that a trade-in is being offered.
2. The items to be traded-in should be evaluated to determine the value. The buyer should work with Surplus to determine the value of the trade-in.
3. The trade-in value offered by the vendor should be compared to the value determined by the College.

If the trade-in offer is accepted, the following procedures should be followed:

1. If the value of the procurement item, before subtracting the trade-in value, is over the capital threshold, the capital asset accountant should be notified.
2. If the item being traded-in is a capital asset, the department must notify Surplus of the deletion of the asset.

Change Orders

All change order requests shall be evaluated by the buyer or Director. Change orders shall only be made if they are found to be reasonable and acceptable by the buyer. When evaluating a change order request, the buyer should consider the following:

1. Is there a contract in place for the procurement?
 - a. If so, what are the terms of the contract regarding change orders and have those terms been adhered to?
2. Does the change order increase the Purchase Order over a purchasing threshold?
3. Is the change order caused by scope creep?
4. Is the change order a separate order?
5. Has procurement policy been violated?
 - a. Example: If the PO is a regular PO and you are being asked to increase the quantity of items ordered because the department ordered additional items, procurement policy has been violated.

Disclosure

- Records will be disclosed in accordance with GRAMA.
- Bid/RFSQ pricing information may be provided without a GRAMA request.
- RFP justification statements and the cumulative score of each proposal without disclosing the identity of the vendor may be disclosed without a GRAMA request.

Dividing A Purchase

The Utah Procurement Code declares that it is unlawful for a person to intentionally or knowingly divide a procurement into smaller procurements with the intent to make the procurement qualify as a small purchase if, before dividing the procurement, it would not have qualified as a small purchase. Dividing a procurement to avoid the following thresholds is considered unlawful:

1. Small-Dollar Purchase Threshold.
2. Large-Dollar Purchase Threshold.

Dividing a procurement to avoid the following limits is considered against Procurement Policy and Procedures, but not unlawful:

1. P-Card per-transaction limit.

Examples of dividing a procurement include:

1. Making two or more separate purchases.
2. Dividing an invoice or purchase order into two or more invoices or purchase orders.
3. Making smaller purchases over a period of time.
4. Using multiple payment methods.

Leases

The College may only lease a procurement item if the Director determines that it is in the best interest of the College after investigating alternative means of obtaining the procurement item and considering the costs and benefits of the alternative means of obtaining the procurement item.

1. All conditions for renewal and cost must be included in the lease agreement.
2. Leasing shall not be used as a way to circumvent the standard procurement process.
3. All leases must be approved by the appropriate vice president as they require commitment of funds for more than one fiscal year.

Operating Leases

An operating lease is a contract that allows for the use of an item, but does not convey rights of ownership of the item. Operating leases are similar to rental agreements for capital assets. The entire cost of the lease should be considered when deciding whether to pursue competition. If competition is sought, it must state in the solicitation that the College is considering lease options.

Capital Leases

A capital lease is similar to a loan agreement for purchase of a capital asset on installments. The College will own the item at the end of the lease. When seeking competition, the entire cost of the lease should be considered. If a capital lease is approved, the buyer should follow one of the methods listed below:

1. Bidder provided lease. If the College wants the bidder to provide the lease, it must be stated in any solicitation for the item.
2. Third-Party provided lease. If the College will seek a vendor to provide the lease, the buyer should work with the Director to determine the appropriate source of the lease.
 - a. The Director should compare at least two sources of the lease to determine the best rate.

Violations

There are two types of violations, unauthorized purchases and after-the-fact purchases.

An unauthorized purchase is a purchase made without following the authorized procurement processes.

An after-the-fact purchase occurs when a College employee places an order without first completing a requisition and receiving a purchase order.

If a violation occurs, a written explanation of what policy was not followed, why policy was not followed, and future corrective action, approved by the department head and applicable VP, must be sent to Purchasing Services. The applicable invoice and any agreements/contracts must be attached.

All violations/direct pays must be approved by the Director. Once they are approved, the documents will be sent to Accounts Payable for payment.

Protests

All protest shall be handled by the Director in accordance with the Utah Procurement Code. If a buyer receives a dispute regarding a procurement, they should immediately work with the vendor to resolve the dispute. A dispute is not a protest and will not be treated as such. The vendor must indicate that they are filing an official protest in order for their complaint to be considered a protest. A protest must be filed by the aggrieved person within seven days after the person knew or should have known the facts giving rise to the protest. The protest must be in writing and include:

1. The person's address and email address.
2. A concise statement of the grounds upon which the protest is made.

If a protest is filed, the contract should not be awarded. If it has been awarded, the buyer should halt the progress of the contract immediately until the protest is resolved. The Director will investigate the protest and make a determination as outlined in the Procurement Code. Once the Director has made a written determination, a copy will be sent to the protestor and the buyer. The buyer should keep a copy of the written determination in the bid file. The buyer, under the direction of the Director, will make any necessary reparations outlined in the written determination.

The buyer may not award a contract until seven days after the written determination was sent or until the protestor confirms that they will not file an appeal, whichever comes first. If the protestor files an appeal, the contract cannot commence until the appeal is resolved. An appeals panel cannot require that Purchasing Services take any action. The appeals panel is only allowed to determine whether the decision made by the Director in regards to the protest was arbitrary, capricious, or clearly erroneous.

If the appeals panel determines that the decision of the Director was arbitrary, capricious, or clearly erroneous, the Director will be required to make a new written determination. The buyer may not award a contract until seven days after the new written determination was sent or until the protestor confirms that they will not file another appeal, whichever comes first.

If the appeals panel determines that the decision of the Director was not arbitrary, capricious, or clearly erroneous, the buyer must wait seven days after the decision was sent to the protestor or until the protestor confirms that they will not file an appeal in court, whichever comes first, before awarding the contract.

Contracts

Contracts must be completed in compliance with the SLCC Contract policies and rules. Procurement Contracts can only be signed by the Director or a buyer, except as otherwise delegated by the Director or outlined herein.

Simple Service Contracts

The simple service contract form may be used for services that meet the following criteria.

- Contract is in compliance with the [Simple Service Contract Guidelines](#)
- Contractor must be an individual, not a company, nor an employee
- Total Cost is under the small dollar purchase limit
- Only one payment will be made
- Service must be low risk, such as guest lecturers, performers (no equipment), note takers, models, and photographers

This form cannot be used for term agreements that include multiple payments over time or high-risk performances that include animals, fire, equipment, or situations that have the potential of physical harm to people or property.

The Simple Service Contract must be completed by the department and signed by the service provider before the service is rendered. After the service is completed, the form should be submitted as a Payment Request in SLCCBuy.

Contract Types

The following contracts may be used:

1. **Firm fixed price contract:** Contract that provides a price for each procurement item obtained under the contract and is not subject to adjustment.
2. **Fixed price contract with price adjustment:** Contract that provides for an upward or downward revision of price, precisely described in the contract, that:
 - a. Is based on the consumer price index or another commercially acceptable index, source, or formula; and
 - b. Is not based on a percentage of the cost to the contractor.
3. **Fixed-price-incentive contract:** Contract that provides for the adjustment of the final price through the use of a formula. The contract may include the following:
 - a. If performance doesn't meet minimum standards, the contractor will be charged a penalty.
 - b. If performance exceeds the minimum standards, the contractor will be paid an incentive.
 - c. If the project is completed after the scheduled completion date, the contractor will be charged a penalty.
 - d. If the project is completed before the scheduled completion date, the contractor will be paid an incentive.
4. **Fixed price with re-determination:** Contract used when a realistic price can be determined for initial periods but not for subsequent periods, such as for the development of a prototype.

The following contracts require a written justification and approval from the Director for procurements over the Large-Dollar Purchase Threshold:

- 1. Cost-plus-a-percentage-of-cost contract:** A contract where the contractor is paid a percentage over and above the contractor's actual expenses or costs.
 - a. Use of a cost-plus-percentage-of-cost contract must include a justification that includes the following:
 - i. A statement indicating that it is standard practice in the industry to obtain the procurement item through a cost-plus-percentage-of-cost contract; and
 - ii. The percentage and the method of calculating costs in the contract are in accordance with industry standards.
 - b. Types of cost-plus-a-percentage of cost contracts include:
 - i. Cost-plus-fixed-fee contract: A contract where the contractor is reimbursed for all reasonable, allocable, and allowable costs and receives a fixed fee (profit) negotiated at the time of award.
 - ii. Cost-plus-incentive fee contracts: A contract where the contractor receives reimbursement for costs as in a cost-plus-fixed-fee contract, but the fee is determined after the contract is completed according to a formula comparing actual to targeted costs as in fixed-price-incentive contracts.
 1. Administration concerns include assessing how much of the possible incentive has been earned, and determining how contract modifications and changes in the requirements impact the incentive features.
- 2. Cost-reimbursement contract:** A contract under which a contractor is reimbursed for costs which are allowed and allocated in accordance with the contract terms and the Utah Procurement Code, and a fee, if any.
 - a. Use of a cost-reimbursement contract must include a justification that contains the following:
 - i. An explanation of how a cost-reimbursement contract would cost less than any other type of permitted contract; or
 - ii. A statement indicating that it is impracticable to obtain the procurement item under any other type of permitted contract; and
 - iii. A statement that demonstrates that the proposed contractor's accounting system will timely develop the cost data in the form necessary for the buyer to timely and accurately make payments under the contract; and that it will allocate costs in accordance with generally accepted accounting principles.
 - b. Types of cost-reimbursement contracts include:
 - i. Time and materials contract: A contract where the contractor is paid:
 1. The actual cost of direct labor at specified hourly rates;
 2. The actual cost of materials and equipment usage; and
 3. An additional amount, expressly described in the contract, to cover overhead and profit that is not based on a percentage of the cost to the contractor.
 - ii. Labor hour contract: A contract where:
 1. The supplies and materials are not provided by, or through, the contractor; and
 2. The contractor is paid a fixed rate that includes the cost of labor, overhead, and profit for a specified number of hours or days.

- iii. Cost sharing: A contract used when it is impossible to estimate costs firmly, and there is a high probability that the contractor will receive a substantial present or future commercial benefit.

Trial Use Contract

1. A trial use contract shall:
 - a. State that the purpose of the contract is strictly for the purpose of the trial use or testing of a procurement item;
 - b. State that the contract terminates upon completion of the trial use or testing period;
 - c. State that, after the trial use or testing period, the procurement unit is not obligated to purchase or enter into a contract for the procurement item, regardless of the trial use or testing result;
 - d. State that any purchase of the procurement item beyond the terms of the trial use contract will be made in accordance with the Utah Procurement Code; and
 - e. Include, as applicable:
 - i. Test schedules;
 - ii. Deadlines and a termination date;
 - iii. Measures that will be used to evaluate the performance of the procurement item;
 - iv. Any fees and associated expenses or an explanation of the circumstances warranting a waiver of those fees and expenses;
 - v. The obligations of the procurement unit and vendor;
 - vi. Provisions regarding the ownership of the procurement item during and after the trial use or testing period;
 - vii. An explanation of the grounds upon which the contract may be terminated;
 - viii. A limitation of liability;
 - ix. A consequential damage waiver provision;
 - x. A statement regarding the confidentiality or nondisclosure of information;
 - xi. A provision relating to any required bond or security deposit; and
 - xii. Other requirements unique to the procurement item for trial use or testing.
2. Publication of notice is not required for a procurement pursuant to a trial use contract.

Multi-Year Contracts/Agreements

1. Multi-year contracts/agreements may be awarded following a solicitation process if all of the following provisions are included in the solicitation:
 - a. Statement that indicates that the solicitation may result in a multi-year contract/agreement.
 - b. All possible renewals.
 - c. Conditions for renewal.
 - d. A provision that states that contracts may not be renewed after the first year if funds are not available.
 - e. A provision that states that a contract cannot be renewed after the end of the term, including renewals, described in the contract. Exceptions include:
 - i. The award of a new contract is delayed.
 - ii. To prevent the loss of Federal funds.

2. Multi-year contracts, including renewals, may not exceed five years unless determined in writing that a longer period is necessary in order to obtain the item, that a longer period is customary for industry standards, or that a longer period is in the best interest of the College. The justification for a contract to exceed five years must be approved by the Director.
 - a. This requirement does not apply to:
 - i. Contracts for software licenses.
 - ii. Maintenance contracts/agreements not available through resellers.
 - iii. Advertising.
3. All multi-year contracts/agreements shall be a fixed price contract. Exceptions may be made by the Director. All exceptions must be accompanied by a justification as outlined in the Utah Procurement Code.
 - a. See Contract List for definitions of the various types of contracts and the required approvals.

Multi-Award Contracts

1. A multiple award is an award of an indefinite quantity contract for one or more similar procurement items to more than one bidder or offeror, and the College is obligated to order all of its actual, normal requirements for the specified procurement items from those contractors. A multiple award may be in the College's best interest when award to two or more bidders or offerors for similar procurement items is needed for adequate delivery, service, or availability, or for product compatibility. In making a multiple award, care shall be exercised to protect and promote the principles of competition.
2. Contracts may be awarded to multiple vendors as a result of a solicitation, if it states in the solicitation that it may result in an award to multiple vendors. The solicitation must also list the following:
 - a. The maximum number of awards anticipated; or
 - b. The methodology used to determine the number of contract awards.
3. If contracts are awarded to multiple vendors to provide supplies/services, the supplies/services listed in the contract cannot be purchased from a non-contract vendor. An exception may be made in writing by the buyer and approved by the Director. The written exception shall include a justification statement that demonstrates that the items needed cannot be effectively or efficiently obtained under the contract to meet the non-recurring special need.
 - a. The College shall reserve the right to take bids separately if a particular quantity requirement arises which exceeds an amount specified in the contract.
 - b. The College shall reserve the right to take bids separately if the buyer approves a finding that the procurement item available under the contract will not meet a nonrecurring special need of the College.
4. The buyer should establish procedures to ensure that each awarded contractor has a fair opportunity to be considered for each order of a procurement item listed in the contract. The following methodologies can be used:
 - a. Obtain a minimum of two quotes for the procurement item(s) sought from the multiple award contractors; or
 - b. Use a rotational system of selecting the multiple awarded contractor for the procurement item(s) needed; or

- c. Geographical area of assignment; or
 - d. Area of expertise.
- 5. Primary and Secondary Contracts.
 - a. Designations of multiple award contracts as primary and secondary may be made provided a statement to that effect is contained in the solicitation documents.
 - b. When the buyer determines that the need for procurement items will exceed the capacity of any single primary contractor, secondary contracts may be awarded to additional contractors.
 - c. Purchases under primary and secondary contracts shall be made, initially to the primary contractor offering the lowest contract price until the primary contractor's capacity has been reached or the items are not available from the primary contractor, then to secondary contractors in progressive order from lowest price or availability to the next lowest price or availability, and so on.