

University Policy 1221: Procurement

Category: Governance and Administration

Subcategory: Budget and Expenditures

Covered Individuals: Department Purchasers

Responsible Executive: Vice President for Finance and Administrative Services

Policy Custodian: Purchasing and Contract Services, Director

Last Revised: 2025/11/07

Previous USU Policy Number: 529 & 5001

1221.1 PURPOSE AND SCOPE

Proper management of Utah State University procurements and associated expenditures is critical to USU's ability to achieve its mission and is required by law and the Utah System of Higher Education ("USHE").

The purpose of this policy is to establish parameters and responsibilities that promote:

- 1) maximum value for dollars expended,
- 2) open competition and impartial evaluation of alternative products and services, and
- 3) fair, ethical, and legal trade practices, which develop a strong vendor community and public trust.

1221.2 POLICY

The Department of Purchasing and Contract Services ("Purchasing") is responsible for the procurement of goods and services required by the university and its organizational units as required by law, except for purchases specifically exempted under 1221.4.

Purchasing shall establish procedures and thresholds consistent with legal, budgetary, and delivery requirements of organizational units and provide the necessary assistance to:

1. acquire such goods and services in a timely and economical manner,
2. assure compliance with all applicable state and federal laws and university regulations, and
3. offer consultation and advice regarding all procurement needs of the university.

2.1 Competitive Bid Threshold

USU's current competitive bid thresholds are listed in [Purchasing and Contract Services Procedures](#).

For purchases **less than** the "Standard Competitive Bid Threshold" (as defined in the Purchasing and Contract Service Procedures), departments may select a specific vendor that best fulfills the business need without the requirement of a competitive selection process. The primary procurement methods for purchases under this threshold are P-Cards and EZ-Buy.

For purchases **greater than** the Standard Competitive Bid Threshold, Purchasing participates in the procurement process to facilitate the vendor selection. In these cases, departments should contact Purchasing as early as possible in the process to allow timely vendor selection in an efficient and compliant manner.

It is against the Utah Procurement Code and this Policy for a person to knowingly divide a purchase into one or more smaller purchases with the intent to make a procurement qualify under a lower threshold.

2.2 Competitive Selection Processes

When a competitive selection process (“Solicitation”) is required, Purchasing will work collaboratively with departments to conduct one of the following Solicitations:

- Request for Quotation (RFQ)
- Invitation for Bid (IFB)
- Request for Proposal (RFP)

Detailed descriptions of each Solicitation method are listed in [Purchasing and Contract Services Procedures](#).

2.3 Barter/Trade

Barter/trade is a system of exchange by which goods or services are directly exchanged for other goods or services, with or without the exchange of additional money. Any purchases made through barter/trade must comply with this policy regarding fairness, open competition, transparency etc.

1. When considering barter/trade, the option should be available to all suppliers or offerors.
2. All barter/trade transactions should be recorded in the University financial system as offsetting revenue and expense entries.
3. If the market value of a transaction, including barter/trade and cash for a good or service, is greater than the Standard Competitive Bid Threshold, departments must contact Purchasing to ensure that an appropriate procurement process is followed.

2.4 Exceptions To Standard Procurement Methods

2.4.1 Sole Source

A standard procurement method is not required when only one source exists for the procurement. A requirement for a particular proprietary good or service in and of itself does not justify a sole source procurement if there is more than one potential supplier or offeror for that good or service. The individual requesting an exception from standard procurement methods must submit a written justification to Purchasing describing the circumstances and conditions of the requested exception. This justification must be approved by the Director of Purchasing and retained with the purchase record.

When required, Purchasing will publish notice of the intent to enter into a sole source procurement at least 10 days in advance of the procurement.

2.4.2 Unreasonable or Cost Prohibitive Transitional Costs

A standard procurement method is not required when the transitional costs associated with the procurement are unreasonable or cost prohibitive. The individual requesting an exception from the standard procurement methods must submit a written justification to Purchasing describing the circumstances and conditions of the requested exception. This justification must include the results of a cost-benefit analysis and demonstrate that the transitional costs are unreasonable or cost prohibitive and that the awarding of a contract without a standard procurement method is in the best interest of USU. This justification must be approved by the Director of Purchasing and retained with the purchase record.

When required, Purchasing will publish notice of the intent to enter into a transition cost procurement at least 10 days in advance of the procurement.

2.4.3 Impractical and Not in USU’s Best Interests

A standard procurement method is not required when the circumstances of a procurement are such that the standard method is impractical and not in USU's best interests. The procurements set forth in R765-571a-8(3) are deemed by USHE and USU to make the awarding of a contract through a standard procurement method impractical or contrary to USU's best interests. The individual requesting an exception from the standard procurement methods must submit written justification to Purchasing describing the circumstances and conditions of the requested exception. This justification must be approved by the Director of Purchasing and retained with the purchase record.

2.4.4 Trial Use

A standard procurement method is not required when the procurement is for trial use that meets the requirements of Utah Code Section 63G-6a-802.3. The individual requesting an exception from the standard procurement methods must submit written justification to Purchasing describing the circumstances and conditions of the requested exception and an explanation of how the trial use or testing is needed to determine whether the procurement will benefit USU. This justification and explanation must be approved by the Director of Purchasing and retained with the purchase record.

2.4.5 Emergencies

Emergency procurement is appropriate when an emergency condition exists that limits the capability of USU to obtain competition. Any emergency procurements will be made with as much competition as reasonably practical while: (a) avoiding a lapse in critical USU services; (b) avoiding harm, or a risk of harm, to the public health, safety, welfare, or property; or (c) protecting the legal interests of USU. The circumstances of an emergency procurement must be approved by the Director of Purchasing and memorialized with the purchase record.

2.5 Special Exceptions

2.5.1 Delegation of Procurement Authority

In rare cases, and by virtue of their special needs and the roles they fill at the university, some organizational units may be authorized to solicit bids and may be delegated procurement authority at a higher spend level than normally authorized. Organizational units that qualify for this exception will be identified and enter into a written memorandum of understanding with the Director of Purchasing. Other organizational units may be extended similar limited procurement exceptions as described in writing, at the discretion of the Director of Purchasing. The Director of Purchasing retains procurement authority for these organizational units and may request periodic audits of delegated purchase authority. See [Purchasing and Contract Services Procedures](#).

2.5.2 Items for Re-sale

Items purchased by the University for resale to the public are exempt from competitive bid requirements.

2.5.3 Other

University organizational units may purchase goods and services from other university organizational units and other Utah public procurement units that directly produce or provide the goods and/or services (not those provided by a contractor or third party). These purchases are exempt from competitive bid thresholds.

2.6 Limitations and Restrictions on Procurement

1. Procuring goods or services for the personal use of any USU employee is prohibited.
2. Orders or commitments for procurement by University employees are not binding on the University, except as permitted by this policy. Individuals who do not comply with University policy when placing procurement orders may become personally liable to the supplier for the contract price.

2.7 Protests

An actual or prospective bidder, quoter, or proposer may file a protest with the Director of Purchasing who will then follow the requirements listed in the Utah Procurement Code.

2.8 Acceptance of a Gift

All USU employees, regardless of involvement in procurement decisions, are subject to the Utah Public Officers' and Employees' Ethics Act ("Ethics Act"). Employees who violate the Ethics Act in any way, including the acceptance of any inappropriate gifts, are in violation of this policy, may be at risk of criminal penalties, and/or may be subject to University disciplinary action.

As stated in Section 67-16-5(2) of the Ethics Act, "It is an offense for a public officer or public employee to knowingly receive, accept, take, seek, or solicit, directly or indirectly for himself or another a gift of substantial value or a substantial economic benefit tantamount to a gift:

1. that would tend to improperly influence a reasonable person in the person's position to depart from the faithful and impartial discharge of the person's public duties;
2. that the public officer or public employee knows or that a reasonable person in that position should know under the circumstances is primarily for the purpose of rewarding the public officer or public employee for official action taken..."

2.9 Conflict Of Interest

In addition, USU employees are subject to USU's conflict of interest policies and the Code of Federal Regulations, which states "no employee, officer, agent, or board member with a real or apparent conflict of interest may participate in the selection, award, or administration of a contract supported by a Federal award. A conflict of interest includes when the employee, officer, or agent, or board member, any member of their immediate family, their partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from an entity considered for a contract."

1221.3 RESPONSIBILITIES

3.1 Employee

Comply with this policy when initiating purchases on behalf of USU.

3.2 Business Services

Verify that expenditures are allowable and allocable.

3.3 Director, Department Head, Dean, and/or Vice President

Approve purchases and ensure that their respective units comply with this policy.

3.4 Purchasing and Contract Services

Responsible for updating this policy as necessary and providing guidance, training, and assistance with acquisitions above the established competitive bid thresholds.

1221.4 REFERENCES

- Code of Federal Regulations Title II, Grants and Agreements, [Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards \(2 CFR 200\)](#)

- [Utah Office of Administrative Rules R765-571a: Procurement](#)
- Utah Procurement Code ([Utah Code 63G-6A](#))
- Utah Public Officers' and Employees' Ethics Act ([Utah Code 67-16](#))
- Utah System of Higher Education [Policy R571, Purchasing](#)

1221.5 RELATED USU POLICIES

- [Policy 1223: Meals and Entertainment](#)
- [Policy 1225: Charitable Donations](#)
- [Policy 2300: Institutional Conflicts of Interest](#)
- [Policy 2301: Individual Conflicts of Interest](#)
- [Policy 5315: Use of University Property](#)

1221.6 DEFINITIONS

Purchaser. The purchaser is an employee authorized to initiate purchases on behalf of USU and is required to comply with this policy.

Information below is not included as part of the contents of the official policy. It is provided only as a convenience for readers/users and may be changed at any time by persons authorized by the president.

RESOURCES

Procedures

- [Purchasing and Contract Services Procedures](#)

Contacts

- [Purchasing and Contract Services](#)

POLICY HISTORY

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