



OPERATING POLICIES — SECTION 500

NUMBER: 581

SUBJECT: PURCHASING THRESHOLDS AND LIMITS POLICY

LAST REVIEWED: MARCH, 16, 2016, October 8, 2018 No changes; 2/28/2021

EXECUTIVE COMMITTEE APPROVAL: 3/7/2016, 10/18/2018, 3/29/2021

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BOARD APPROVAL: MARCH 16, 2016; 5/19/2021

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580.1 PURPOSE

The purpose of this policy is to outline thresholds and limits for making purchases.

580.2 POLICY

2.1 Purchases Up To \$3,000.

2.1.1 No competitive quotes are required for purchases up to \$3,000. The purchaser may select the best source without seeking competitive quotes.

2.2 Purchases Exceeding \$3,000 and Up To \$5,000.

2.2.1 If no single item has a per unit cost exceeding \$3,000 and the total purchase does not exceed \$5,000, the purchase can be made without a purchase order.

2.3 Purchases Exceeding \$5,000 and Up To \$50,000.

2.3.1 Purchasers must obtain written bids from at least three vendors for all purchases over \$5,000 and up to total purchases of \$50,000 that are not supplied by departments or divisions of the State or that are not included in a State contract or similar agreement unless specifically exempted.

2.3.2 Award must be made to the vendor submitting the lowest quote meeting the minimum reasonable specifications and delivery date.

2.3.3 All purchases over \$3,000 must be approved by the appropriate Vice President prior to issuing the Purchase Order.

- 2.3.4 All purchases over \$5,000 must also be approved by the Vice President of Administrative Services and the College President prior to issuing the Purchase Order.
 - 2.3.5 All purchases over \$10,000, regardless of inclusion in the annual operating budget, must be reported to the Board of Trustees for ratification.
 - 2.3.6 All purchases over \$25,000, that are not included in the annual operating budget, must also be approved by the Board of Trustees prior to issuing the Purchase Order.
 - 2.3.7 All purchases over \$50,000, regardless of inclusion in the annual operating budget, must also be approved by the Board of Trustees prior to issuing the Purchase Order. This provision does not apply to payroll, employee benefits, or consolidated purchasing card payments.
- 2.4 **Purchases Over \$50,000.** Large purchases are subject to considerable public scrutiny. Therefore, all purchases over \$50,000 are subject to a competitive sealed bidding process or to a competitive sealed proposal process, completed in accordance with the State of Utah Administrative Code.
- 2.5 **Procurement of Construction.** Procurement of construction will be completed in accordance with the State of Utah Administrative Code. Competitive quotes are not required when purchasing items from State Agencies.
- 2.6 **Sole-Source Procurement.** Sole-source purchases require Finance Department approval and will be granted based on State of Utah purchasing guidelines. Examples of circumstances which could necessitate a sole source purchase are as follows:
- 2.6.1 When compatibility of equipment, accessories, replacement parts, or service is a paramount consideration.
 - 2.6.2 For purchase of items for resale.
- 2.7 **Division of Purchase.** Purchase requirements shall not be artificially divided to avoid using the source selection methods and approval requirements set forth in this policy.
- 2.8 **Non-Compliance with Purchasing Policy.** Non-compliant purchasers will be subject to withdrawal of the authority to make purchases or to a reduction in the dollar amount authorized for purchases. As appropriate, disciplinary action may be taken up to and including termination.